



LETHBRIDGE HOUSING AUTHORITY

2020 -2022
BUSINESS PLAN

ACCOUNTABILITY STATEMENT

The business plan was prepared in accordance with Section 16 of the Management Body Operation and Administration Regulation.

The Business Plan was prepared under the Board's direction in accordance with legislation and associated ministerial guidelines, and in consideration of all policy decisions and material, economic, or fiscal implications of which the Board is aware.

Approved by the Board on June 18, 2019

A handwritten signature in black ink, appearing to be 'Blaine Hyggen', is written over a horizontal line. The signature is stylized and somewhat cursive.

Blaine Hyggen

Chair, Board of Directors

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EXECUTIVE SUMMARY

Lethbridge Housing Authority (LHA) was established as a Housing Management Body by Ministerial Order in 1995. Its purpose under the Order is to provide affordable housing to seniors, individuals, and families through the operations and administration of a number of properties owned by the Province of Alberta. That property profile includes nearly 400 high-rise units, approximately 250 duplex/row house units, and over 30 single-family houses. The Order further assigned the responsibility of administering programs in Lethbridge as deemed appropriate by the Province.

This role has been the core of LHA in the years between its inception and today. Much has changed in Lethbridge in the intervening years – population growth of 52%, emergence of a wide array of social serving agencies, new affordable housing agencies, new client sectors such as refugees, and increasing complexity of clients being served (e.g., increasing mental illness, accessibility needs). LHA has also changed with the creation of a wholly owned subsidiary (Lethbridge and Region Community Housing Corporation – L&RCHC) which has undertaken to increase the supply of non-market housing in the community.

This business plan is a document that serves to:

- Describe the current state of the organization.
- Summarize the directions and strategies for the organization.
- Identifies opportunities and challenges of the near- term future.
- Outlines specific action plans and expected outcomes for those activities.

This plan reflects a commitment to continuous improvement of our program and services. It lays a future for dealing with our responsibility to manage aging facilities and make best use of the assets we operate. It addresses the need to expand our partnerships with other agencies so that our clients receive the supports necessary for their success as tenants. It addresses the changes that face us inside the organization and lays some foundations for managing those in a way that sustains the caring commitment that is our culture.

Striving for continuous improvement is a journey. This plan is the map for the next three years.

OUR ORGANIZATION

CORPORATE PROFILE

Lethbridge Housing Authority provides a mix of affordable housing options and supporting programs for families, individuals, seniors, and those with special needs in Southern Alberta. It achieves this through two arms:

- Lethbridge Housing Authority: This is a Housing Management Body established by Ministerial Order under the *Alberta Housing Act* to deliver social housing programs and to maintain properties in Southern Alberta.
- Lethbridge & Regional Community Housing Corporation: This is a wholly owned subsidiary of LHA incorporated to administer other housing activities and ventures.

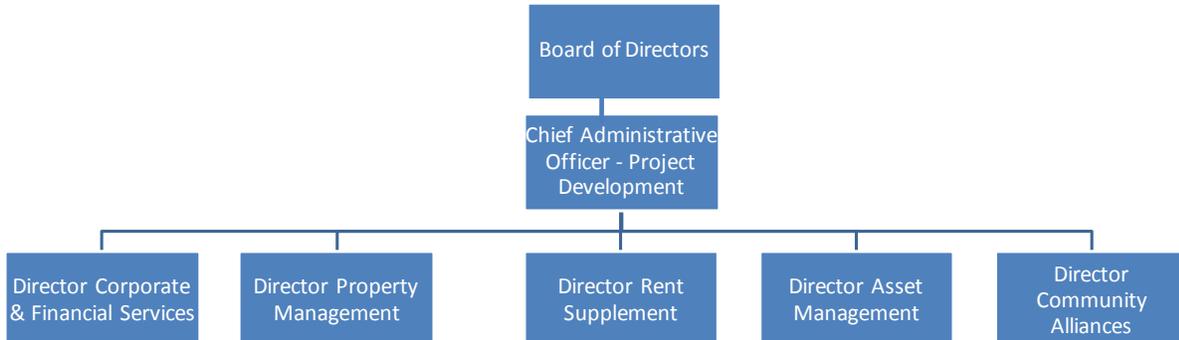
Lethbridge Housing Authority operates under the *Alberta Housing Act* (and associated Regulations), the *Residential Tenancies Act*, and the *Freedom of Information and Protection of Privacy Act*. In its role as a Housing Management Body, LHA is guided by the ministerial objectives and goals of Alberta Seniors and Housing as outlined in its current business plan.

The Government of Alberta has primary responsibility for Alberta's non-market housing system that provides housing at a reduced cost or with special supports for persons who because of financial, social or other circumstances are unable to obtain or maintain housing through the private market.

The Government of Canada provides funding to the Government of Alberta to design and deliver a range of non-market housing programs in Alberta. The programs can involve operational support or capital funding for new construction or renovations of non-market housing units.

As a Housing Management Body, LHA is responsible for the management of the non-market housing assets of the Alberta Housing Corporation in Lethbridge.

ORGANIZATIONAL STRUCTURE



Our nine-member Board of Directors provides policy and planning direction to the Chief Administrative Officer (CAO). Board members are appointed by Lethbridge City Council. The CAO is responsible for overseeing all of LHA’s business in the community and reports directly to the Board of Directors. LHA employs 36 staff members to deliver on the direction identified by the Board and CAO.

PROGRAM, SERVICE & PROPERTY PORTFOLIO

Lethbridge Housing Authority provides access to affordable housing in Southern Alberta in two ways:

- As a property manager, owner, and landlord,
- Through the administration of rent supplement programs.

SOCIAL AND AFFORDABLE HOUSING

Under the umbrella of Lethbridge Housing Authority (LHA + L&RCHC), nearly 800 doors are made available to families, individuals, seniors, and those with special needs. These units are directly managed by LHA.

The allocation of units operated by LHA falls into two broad categories based on the income stream of the tenants:

- **Social Housing**
 These units are available to households with low to modest incomes. Rents on these units are charged at 30% of the tenant’s total combined household income. Heat, water, waste removal, and sewer are included in the rent.

There are two broad client sectors within this portfolio: Seniors and Community (family and special needs). The Seniors Self-Contained (SSC) Units are specifically targeted to those clients who are age 55 years or over.

There are 676 units of Social Housing administered by LHA.

- **Affordable Housing**

This program is designed to assist those households in the community that require a shallow subsidy to meet their basic housing needs. Rents for these units are set at a minimum of 10% below current market rates based on the unit size.

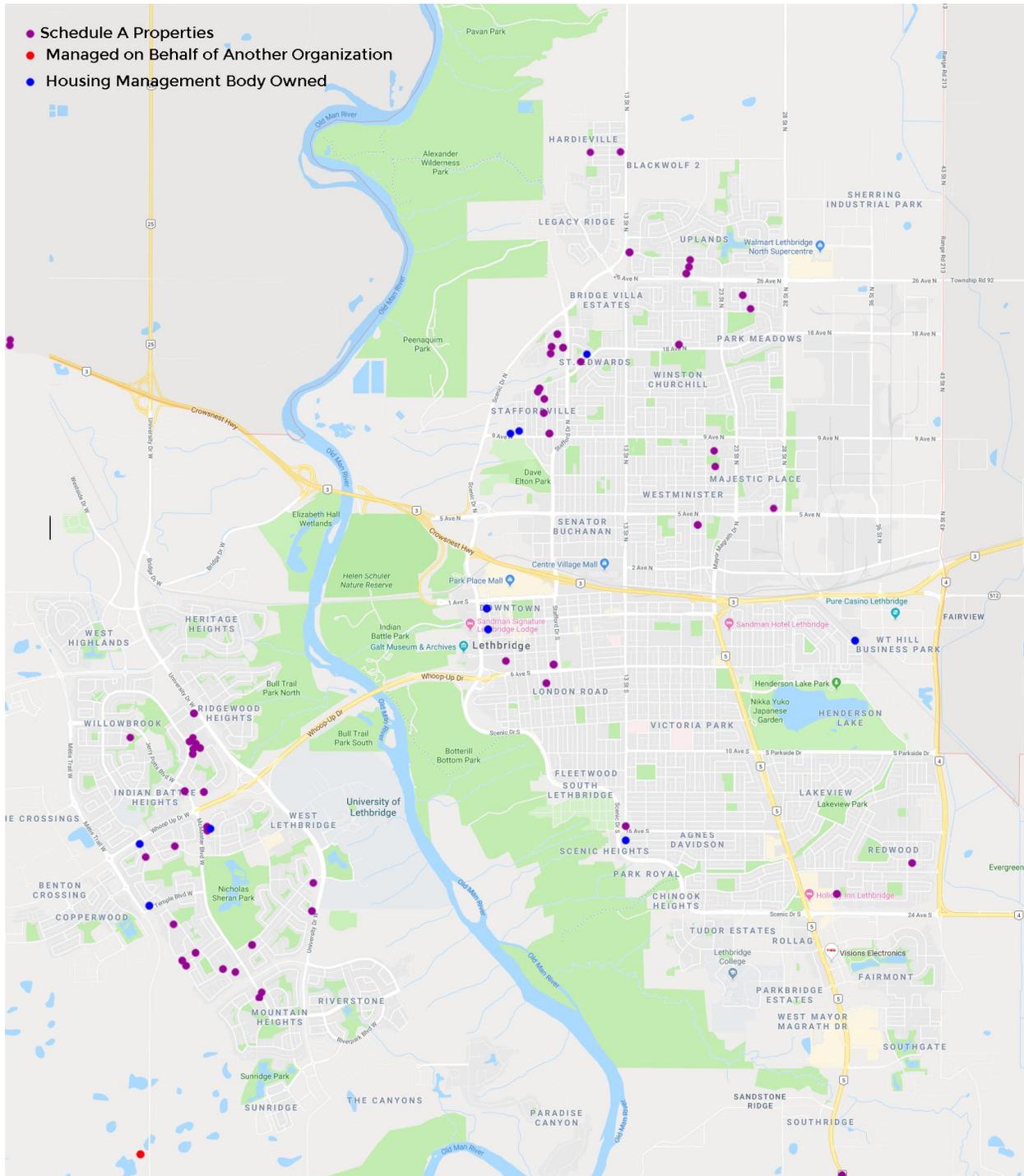
There are 110 units of affordable housing administered by LHA.

- **Other Housing**

Additionally, LHA has 8 crisis beds with Canadian Mental Health Association (CMHA) and one market unit on behalf of the City of Lethbridge

The table below provides a breakdown of the Social Housing and Affordable Housing Programs within the LHA property portfolio (see Appendix B). The summary includes units that are owned by the Province of Alberta and those owned by L&RCHC.

Social Housing Programs		Affordable Housing Programs	
Community Housing Units		Units owned by L&RCHC	118
Owned by Province of Alberta	273	City of Lethbridge Market Rent	1
Owned by L&RCHC	0		
Seniors Self-Contained Units	403		
TOTAL SOCIAL HOUSING PROGRAM	676	TOTAL AFFORDABLE HOUSING PROGRAM	119



RENT SUPPLEMENT PROGRAMS

In addition to the direct provision as property owner and landlord, LHA also administers rent supplement programs on behalf of Alberta Social Housing Corporation and the City of Lethbridge. These programs support taking advantage of available market units through various supplements to make them affordable. This includes support to private landlords, direct support to tenants, first months' rent and security deposit, and rent shortfall support.

INSTITUTIONAL CONTEXT

Within the Lethbridge context, the coordination and provision of affordable housing is shared between several organizations including: Lethbridge Housing Authority (affordable housing for individuals, families, and independent seniors), Green Acres (seniors' lodges), the Community Based Organization (City of Lethbridge), Aboriginal Housing Society, McMan Youth Family and Community Services Association, Harbour House, Habitat for Humanity, and others. LHA works within this context to meet the housing needs of the community through our own work, as well as through collaborating with stakeholders to understand community and client needs and to build alliances towards meeting these needs.

PLAN DEVELOPMENT

In early 2019, the Board of Lethbridge Housing Authority undertook a review of its 2015 – 2020 Strategic Plan. This review has served to confirm the key strategic directions for the organization and the short-term goals that will ensure progress in support of those directions.

The Lethbridge Housing Authority Business Plan evolves out of the day-to-day observation of community and client needs, identification of projected trends, coordination of work with other agencies, and alignment to the strategic direction of Alberta Seniors and Housing.

STAKEHOLDER ENGAGEMENT

Engagement with the external community groups listed is an ongoing activity for LHA to inform all planning activities, including this Business Plan.

KEY STAKEHOLDERS

Government of Alberta

- Alberta Seniors and Housing
- Alberta Community and Social Services (including AISH)
- Other Government Ministries

Other Orders of Government

- Federal
- First Nations
- CMHC

Municipal Government

- City of Lethbridge
- Town of Magrath
- Town of Coalhurst
- Town of Fort Macleod

Other Non-Profit Housing Providers, HMBs and Community Based Organizations (CBOs)

- Social Housing in Action (SHIA) Committee (City of Lethbridge)
- Green Acres
- Taber and District Housing
- Medicine Hat and District Social Housing Agency
- Aboriginal Housing Society

Community Partners

- Canadian Mental Health Association
- McMan Youth, Family and Community Services Association
- Lethbridge Immigrant Services
- Lethbridge Police Service
- Housing First service providers

DOCUMENT INPUTS TO BUSINESS PLAN

A document review was completed as part of the development of this Plan. The following documents were considered in identifying the goals and strategic priority initiatives for Lethbridge over the next three years:

Lethbridge Housing	Strategic Plan
	2018 -2020 Business Plan
	Capital Plan
Other Organizations	Ministry of Seniors and Housing, Business Plan 2017-2020
	Making Life Better: Alberta’s Provincial Affordable Housing Strategy
	AISH Action Plan
	Vibrant Lethbridge Poverty Report
	National Housing Strategy
Data	CMHC
	Statistics Canada
	Lethbridge Municipal Housing Strategy Phase 1 Needs Assessment

In developing the 2020 -2022 Business Plan, the following internal engagement activities occurred with staff and the Board:

- Board and Senior Administration: Completed a facilitated planning process that included an historical recap, a review of current and forecast challenges, and the development of key strategic priorities for LHA.
- CAO and Directors: Developed priority goals for the next 3 years that support the directions established by the Board.
- Staff: A series of workshops were conducted with all staff to communicate the strategies and goals that had been developed. Staff then engaged in the development of practical action plans to ensure progress is made on the identified goals within the timeframe set.

ENVIRONMENTAL SCAN

The Lethbridge Municipal Housing Strategy 2019 – 2025 was undertaken by the City of Lethbridge guided by Municipal Housing Task Force with input from a wide array of community stakeholders. The report, prepared by the SHS consulting team, had two distinct phases. The first phase is a detailed analysis of the housing needs and gaps in Lethbridge.

This report has been an important source of information in the development of a clear understanding of the needs associated with the social and affordable housing in Lethbridge.

Although the report covers the full spectrum of the housing continuum, this business plan has relied on the data specifically relevant to LHA's role in the delivery of social and affordable rental accommodation. This plan has targeted information from the report that more clearly defines the needs of the clients that LHA serves and the market that is required to meet those demands.

THE FOLLOWING IS AN EXCERPT FROM THE CITY OF LETHBRIDGE "MUNICIPAL HOUSING STRATEGY 2019 – 2025, LETHBRIDGE HOUSING NEEDS ASSESSMENT (JANUARY 2019) PREPARED BY SHS CONSULTING:

HOUSING DEMAND ANALYSIS

Senior Households

Senior households made up 23.7% of all households in Lethbridge and this number increased by 29.1% from 6,905 in 2006 to 8,915 in 2016. Compared to the Province of Alberta (18.7%) and comparator municipalities Red Deer (17.5%) and Grande Prairie (10.7%), Lethbridge had a significantly higher proportion of senior households.

This suggests that there is currently a need for housing options suitable for seniors and for aging in place. This is further supported by the results of the resident survey where 26.5% of respondents stated that one of the things they would change in the current housing system in Lethbridge is the availability of accessible housing options for aging seniors, while 29.9% noted a need for more affordable options for seniors. These housing options could include mainstream housing with accessibility and features to facilitate aging in place as well as supportive living housing options for frail seniors.

Youth Households (under 25 years of age)

Youth-led households made up 6.5% of all households in Lethbridge; down from 8.9% in 2006. The number of youth-led households also decreased in actual numbers; decreasing by 10.9% (300 households) from 2006 (2,745 households) to 2016 (2,445 households). In comparison, youth-led households made up 3.5% of all households in Alberta in 2016. Among comparator municipalities, Grande Prairie had the highest proportion of youth led households (7.2%), while Red Deer had the lowest (5.1%).

Indigenous Households

Indigenous households made up 4.5% of all households in Lethbridge in 2016; up from 3.5% in 2006. The number of Indigenous households also increased by 56.7% from 1,075 households in 2006 to 1,685 households in 2016. Indigenous households make up 5.1% of all households in the Province of Alberta. While Indigenous households make up a relatively small share of all households in Lethbridge, they are increasing at a much faster rate (56.7%) compared to the overall household count. This may be partly due to Indigenous individuals and families moving to Lethbridge from the two of the Treaty 7 reserves which are located west of Lethbridge.

The increasing number of Indigenous households in Lethbridge suggests a need to consider culture in the design of housing and support services. This is particularly important given that the results of the 2016 homelessness enumeration show that Indigenous individuals make up almost three quarters (73.0%) of the homeless population.

This suggests that cultural considerations should also be extended to the design of shelter services and non-market housing options.

Conversations with key stakeholders in the Indigenous community in Lethbridge confirm that Indigenous peoples are more likely to experience homelessness compared to other households in Lethbridge. Homelessness among Indigenous peoples occurs for a variety of reasons, some of which can be attributed to differences in culture. For example, occupancy standards in certain units in Lethbridge only allow one household to occupy a unit, while on reserves it is common for multiple households to share one home. When this happens outside of the reserve, a landlord or housing provider might evict the household for violating these standards.

Another example is rent payment. Housing on the reserve is often owned by the local band and rent is not always collected in these units. This means Indigenous peoples moving to Lethbridge might not always be aware they need to pay rent on a monthly basis to maintain their housing, which could also lead to eviction. This indicates a need for education for both Indigenous tenants as well as landlords to ensure that cultural differences and norms as well as tenant rights and responsibilities are considered.

Key stakeholders also noted that homelessness is also often passed on from one generation to the next in that Indigenous youth often have no motivation to move out of homelessness as it is the lifestyle that is most familiar to them. This, again, suggests a need for education and supports to help Indigenous youth to not only move out of homelessness into permanent housing but also to continue their education and find good jobs.

Households with a Member with a Disability

In 2016, 10.0% (3,760) of all households in Lethbridge had a member with a physical disability compared to 8.7% in the Province of Alberta overall. Similarly, 6.6% (2,485) of the households in the City had a member with a cognitive disability and 10.4% (3,915) had a member with a psychological or mental disability. In comparison, only 5.3% of Alberta households had a member with a cognitive disability and 8.5% had a member with a psychological or mental disability.

The greater proportions of households with a member with a physical disability may be partly because Lethbridge has a larger proportion of older households who might have mobility challenges compared to the province as a whole.

The larger proportion of households with a member with a cognitive disability can partially be explained by an older population but could also be influenced by the fact that Lethbridge is the largest urban center in Alberta south of Calgary. Urban areas usually have more services available compared to rural areas in the province because the size of the population can sustain these services. This may result in attracting households with a member with a cognitive disability to the City so their family member can obtain the support services they need.

The data on the larger proportion of the number of households with a member with an emotional, psychological or mental illness could also be partially explained by the availability of support services in Lethbridge.

The data presented above suggests a need in Lethbridge for housing with supports for people with disabilities or psychological and mental health problems. This need would include housing with accessibility and Universal Design features as well as support services to help people live as independently as possible.

Among comparator municipalities Lethbridge had the highest proportion of households with a member with a physical disability (10.0%), followed by Red Deer (9.4%) and Grande Prairie (7.1%). A similar trend can be observed when looking at households with a member with a cognitive disability, where Lethbridge has the highest proportion of households with a member with a cognitive disability (6.6%) followed by Red Deer (6.1%) and Grand Prairie (5.2%). Red Deer had the highest proportion of households with a member with an emotional, psychological, or mental illness (10.7%), followed by Lethbridge (10.4%) and Grande Prairie (10.3%).

Immigrant Households

Immigrant households made up 15.0% of households as a whole in Lethbridge in 2016. This was a similar proportion as in 2006. In comparison, immigrant households made up 23.3% of all households in the Province of Alberta in 2016.

While compared to all households, the proportion of immigrant households in Lethbridge stayed the same, the actual number of immigrant households living in Lethbridge increased by 22.0% from 4,615 in 2006 to 5,630 in 2016.

Among comparator municipalities, Lethbridge had the highest proportion of immigrant households. Grande Prairie had the lowest proportion of immigrant households (11.5%), followed by Red Deer (14.6%).

Of the immigrant households living in Lethbridge in 2016, 14.4% were recent immigrants. When looking at all households, recent immigrant households made up 2.2% of all households in Lethbridge; increasing by 196.4% (540 households) since 2006. A significant number of these recent immigrants were Syrian refugees (4.0%) This suggests a need to consider cultural appropriateness in the design of housing and support services in particular for refugees from conflict zones in the Middle East. In addition to Syrian refugees, a large proportion of recent immigrant households came from the Philippines (24.0%), Nepal (9.0%), the United Kingdom (6.0%) and India (4.0%)

HOUSING AFFORDABILITY

Incidence of Low Income

The incidence of low income in a community can be measured in a variety of ways. For the purpose of this study, Statistics Canada's Low Income Cut Offs – After Tax (LICO - AT) were used. The cut-offs are income thresholds below which a family will likely devote a larger share of its income on the necessities of food, shelter and clothing compared to the average family in an area. The approach estimates an income threshold at which families are expected to spend 20 percentage points more than the average family on food, shelter and clothing

In 2015, 7.3% of the population in Lethbridge had low income status, down from 10.8% in 2005. The number of residents who fell into this category decreased by 16.0% from 2005. However, even though this number decreased from 2005 to 2015, the proportion of residents in Lethbridge with low income status is slightly higher than the proportion in the Province as a whole (7.0%) in 2015. Lethbridge also had higher rates of youth under the age of 18 in low income (8.9% vs. 8.6%) and in particular of individuals aged 18 to 64 in low income (8.1% vs 7.0%). The number of seniors in low income was lower compared to the Province of Alberta as a whole (1.7% vs 3.3%).

Lethbridge has a higher number of residents in low income in 2015 compared to comparator municipalities. In Red Deer 6.2% of residents were in low income, followed by 4.9% in Grande Prairie. This supports the earlier findings where average incomes in Lethbridge are lower compared to comparator municipalities.

Rental Housing Affordability

The Lethbridge Policy on Housing and Homeless defines affordable rental housing as housing which is below the rates commonly found in the Lethbridge rental market and affordable to households with low- and moderate-incomes.

Based on the average market rent reported by CMHC and renter household incomes, renters with low incomes in the 1st to the 3rd renter income deciles cannot afford the average market rent in Lethbridge without spending more than 30% of their income on housing costs.

Renters with incomes in the 3rd income decile or higher would be able to afford a bachelor unit. Renter households in the 4th income decile or higher would be able to afford a one-bedroom and two-bedroom unit. Renter households would have to have incomes in the 5th household income decile or above (i.e. \$47,932 or more) to be able to afford a rental unit with three or more bedrooms. This means that even some households with moderate incomes would have to spend 30% or more of their household income or more on rent to afford a suitable unit (i.e. with enough bedrooms).

This partly explains why, among couples with children, 76.8% of those with low incomes and 22.8% of those with moderate incomes are facing housing affordability issues. In addition, among lone-parent households, 59.2% of those with low incomes and 20.1% of those with moderate incomes face housing affordability issues.

Key Findings: Housing Affordability

This section provides a brief overview of the nature of housing affordability in Lethbridge

More than a fifth of households in Lethbridge were facing housing affordability issues

- In 2015, 21.5% of all households in Lethbridge were spending 30% or more of their before-tax income on housing costs and 7.7% spent 50% or more.
- Households with low incomes (below \$49,991) were significantly more likely to face affordability issues. A total of 56.4% spent 30% or more of their household income on housing costs and 24.8% spent 50% or more in 2015.
- Lethbridge had a similar proportion of households facing affordability issues as the Province of Alberta (20.2%), Red Deer (21.9%) and Grande Prairie (19.5%).
- A total of 10.1% of all households in Lethbridge in 2015 were in core housing need. Among low-income households this was 32.9%. Among all households in core need, 93.4% fell below the affordability standard.

Certain household types were more likely to be facing housing affordability issues than others.

- Renters, youth households, persons living alone, lone parents, Indigenous households and households with a member with a disability are more likely to face housing affordability issues compared to other households in Lethbridge in 2015.

Market rental rates are not affordable to households with low incomes in Lethbridge.

- Renters with low incomes (below \$30,509) would not be able to afford market rental housing rates in the private rental market in 2018, except for a bachelor apartment.
 - Renter households with incomes from the 4th income decile (\$30,510 and up) would be able to afford a two-bedroom unit in the primary and a one-bedroom unit in the secondary market and renter households from the 5th income decile (\$39,454 and up) would be able to afford the average price of all unit types in the primary market and up to a two-bedroom unit in the secondary market.
 - Renter households would have to earn incomes of \$47,933 to be able to afford all rental units in the primary and secondary rental markets.

Homeownership in the City of Lethbridge is affordable to most households with moderate incomes and all households with high incomes

- The increase in average house price from 2008 to 2018 (8.3%) was slower than average income growth (52.0%) and inflation (15.6%), making home ownership more accessible to an increasing segment of households living in Lethbridge.
- The average house price in Lethbridge was \$284,722 in October 2018 which is affordable to households in Lethbridge in the fifth household income decile earning \$77,908 or more per year, while average income in Lethbridge was \$97,666.

*SHS Consulting, (January 2019): City of Lethbridge Municipal Housing Strategy 2019 - 2025, Lethbridge Housing Needs Assessment.

CLIENT PROFILE

Income Sources

The majority of LHA clients are dependent on a provincial or federal income support program. The table below provides a detailed summary.

Table 1: Highest Sources of Income for Household

	Under 65 years of age				65 and over		Other	TOTAL
	<i>Singles</i>	<i>Singles with Children</i>	<i>Couples</i>	<i>Couples with Children</i>	<i>Singles</i>	<i>Couples</i>		
Pension	44	5	3	1	221	2	8	284
Employed	11	67	0	25	1	1	2	106
Self-Employed	0	0	0	0	0	0	0	0
Income Support	58	94	0	19	6	0	0	177
AISH	176	45	7	6	7	0	0	241
Other	1	24	0	4	0	0	1	30
No Income	49	61	6	36	19	3	103	277
TOTAL	339	296	16	91	254	5	114	1115

Waitlist

The table below provides some insight on the client profile that LHA is unable to meet. This list typically is about 500 registrants.

Table 2: Households on Waitlist by Highest Source of Income

	Under 65 years of age				65 and over		Other	TOTAL
	<i>Singles</i>	<i>Singles with Children</i>	<i>Couples</i>	<i>Couples with Children</i>	<i>Singles</i>	<i>Couples</i>		
Pension	9	3	0	2	31	3	2	50
NOA Line 150	5	1	0	0	23	2	0	31
Employed	13	49	1	28	1	0	1	93
Self-Employed	1	0	0	2	0	0	0	3
Income Support	31	41	0	8	0	0	1	81
AISH	69	15	7	3	2	1	2	99
Other	3	10	1	3	1	0	0	18
No Income	13	25	0	6	3	0	1	48
TOTAL	144	144	9	52	61	6	7	423

CURRENT CONTEXT FOR LETHBRIDGE HOUSING

STRENGTHS AND SUCCESSES

Lethbridge Housing Authority has successfully delivered safe and affordable housing solutions to individuals, families, and seniors in need of low-cost housing. This success is driven by organizational strengths developed over more than 40 years of service to the community. Maintaining and building on these strengths will be the key to future of the organization.

Our Property Portfolio

Lethbridge Housing Authority manages a diverse portfolio of housing units that includes high-rise, multi-family and single-family units. The properties are distributed throughout the community, avoiding issues of concentration but, more importantly, offering some choice to tenants to meet requirements for work, public transportation, schools, and all aspects of community living.

Lethbridge Housing Authority maintains 676 housing units on behalf of the Province. These units were primarily constructed between 1974 and 1984. LHA has a regular preventive maintenance program that has ensured that these properties continue to be clean, safe and functional.

Lethbridge Housing Authority, through its subsidiary L&RCHC has expanded its portfolio of units through a combination of purchase of existing housing and the development of new units.

Our Employees

Our 36 employees are a significant factor in the success of our business. We are proud of the committed and caring individuals who work daily with our clients. Attracting and retaining qualified staff is always a challenge, but LHA has a number of long-term employees who are respected for their knowledge and expertise in the industry and amongst fellow workers.

Our Partnerships and Alliances

Lethbridge Housing Authority has successfully partnered with CMHA in the purchase and operation of two properties. The effectiveness of this partnership is based on the clear roles performed by each agency: LHA provides property operations and maintenance, while the CMHA provides necessary supports to clients.

Lethbridge Housing Authority is currently in discussions with the City of Lethbridge CBO on the operations of a new permanent supportive housing facility following the model of the CMHA arrangement. Additionally, a partnership formation is underway with Wood's Homes on the management of two four-bedroom units for youth in need.

Financial Responsibility

The LHA Board and leadership team has a demonstrated track record of prudent fiscal management. Because the revenue streams to the organization are defined by others (Province of Alberta, City of Lethbridge) and its clients are by definition limited in their ability to pay, efficiency in services is a requirement.

CHALLENGES AND OPPORTUNITIES

Aging Facility Portfolio

Much of the LHA property portfolio is now close to 40 years old. Despite good maintenance and operations practices, these facilities will be reaching the end of their first lifecycle and will likely require significant

reinvestment. Client needs have changed and there is an opportunity to renew and rebuild units based on these emerging requirements (e.g., meeting accessibility needs and standards).

A detailed asset plan including an audit of current facility conditions and options for renewal will allow the preparation of a capital plan that leverages past investments and maximizes the future investments that are anticipated. This plan must include strategies to improve energy and environmental management.

Aging Equipment and appliances

Much like the facilities themselves, the permanent fixtures like appliances also need to be life cycled. Newer appliances and mechanical support systems like furnaces and water heaters have been found to have shorter lifecycles than in the past. Repairs are often not possible as parts are unavailable, and replacement is the only alternative.

Complexity of The Client Base

The initial client portfolio of LHA was seniors and families, often with lone-parent situations. More recently the client base has become far more diverse and, in some cases, more difficult to serve effectively. The new client mix includes new immigrants and refugees in addition to the traditional senior and family clients.

The individual needs of clients are more complex. Tenants may require mental health and addictions support, physical accessibility adaptations, or simply the development of good household management skills.

The opportunity exists to build on the model of success experienced with CMHA. Seeking new alliances with local agencies whose primary roles are the support of the individuals and clients may reduce stress on LHA staff and improve the successful tenancy of clients.

Housing First

One of the major changes in the community has been the shift towards a “housing first” philosophy. The Housing Management Body can be an important partner in a system of effective service delivery for those who are homeless or at risk of homelessness. A significant challenge arises in defining where LHA has the most impactful role to play in the housing spectrum. The definition of who is in greatest need can differ between ministries and alignment of programs across ministries is often not possible. For example, defined one way, someone who is homeless is the person in the greatest need for housing. However, under the Social Housing Accommodation Regulations, the family with children, who may be having a housing affordability issue, and qualifies for social housing will gain access to housing under a management body before the homeless individual as they are identified as greatest need for that type of housing.

The opportunity exists to work with the CBO and various ministry stakeholders to explore either process or regulation changes that will help address these apparent conflicts.

Staff Changes

The transfer of the institutional knowledge and experience of several key individual must be undertaken to ensure continuity in client services and relationships with key stakeholders. Newer staff have expressed desire to grow and expand their roles in the organization. The opportunity exists to develop a comprehensive plan for staff training and development to bridge the potential gaps and challenges. The staff who may be leaving in the next 5 to 7 years have fostered a caring and committed culture of service to clients. The challenge to retain this culture is offset by the opportunity use the next few years to forecast the longer-term human resources requirements of the organization. Recruitment and staff development can then be designed to meet the future needs of LHA.

Financial

Over the past several years, LHA expenses have steadily increased. This pressure is largely attributable to increasing utility costs. At the same time, rents have remained constant. As a result of this divergence, the Financial Forecast Summary (Appendix C) shows an increasing deficit over the next five years. Alberta Seniors and Housing has assisted in managing this deficit and it is expected that this support will continue but the opportunity for dialogue on this issue should be undertaken.

The opportunity to develop a systemic approach to energy and water conservation in our facilities may assist in offsetting pressure from rate increases.

STRATEGIC PRIORITIES, GOALS AND ACTION PLANS

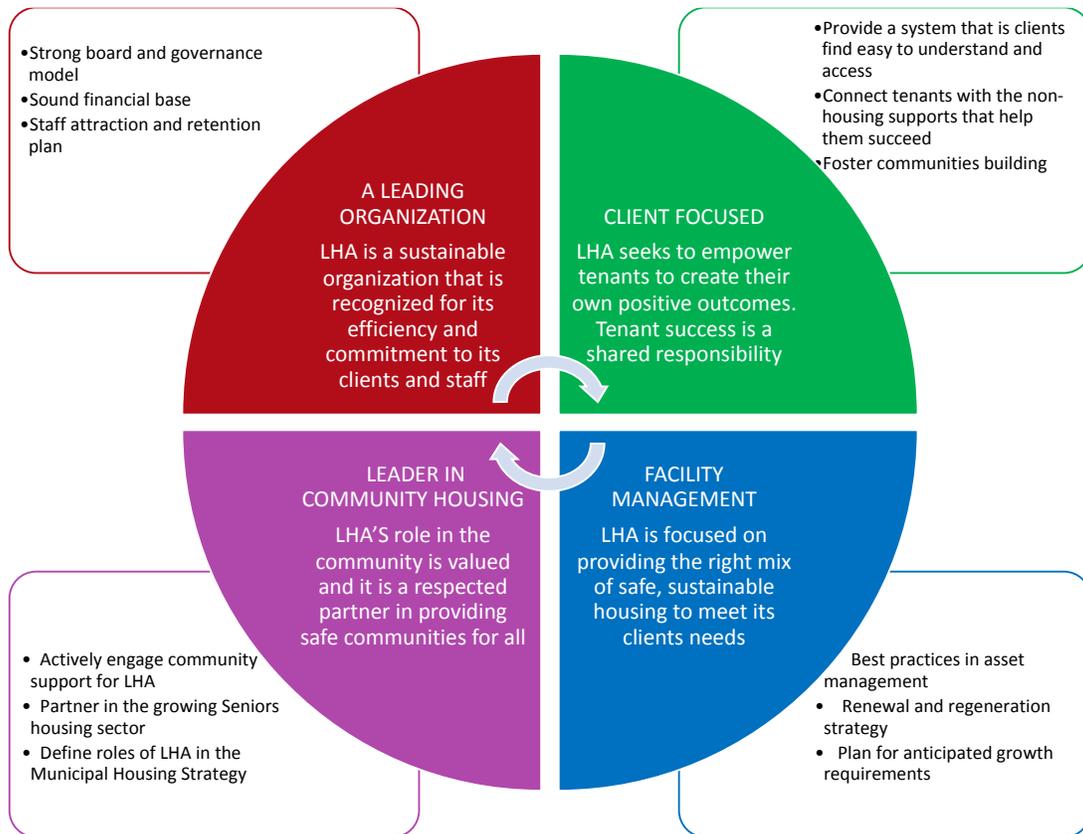
The following goals, strategic initiatives, expected outcomes, and associated performance measures have been developed to contribute to the goals and outcomes of the Ministry of Seniors and Housing Business Plan

- **Outcome 1:** Seniors have access to programs, services and supports that help them live safely and independently in their chosen communities.
- **Outcome 2:** Albertans have access to appropriate housing and related supports.

This business plan is prepared with these outcomes, the mandate of the organization as defined in the Ministerial Order, and with the understanding of the local context of Lethbridge and Southwestern Alberta.

STRATEGIC PRIORITIES

Lethbridge Housing Authority is focused on its core role of providing affordable housing for those who cannot access market rental rates. The following four strategic directions will ensure that the organization is positioned to provide a sustainable system that is fair and flexible to tenants, integrates housing and supports, and invests wisely now and in the future.

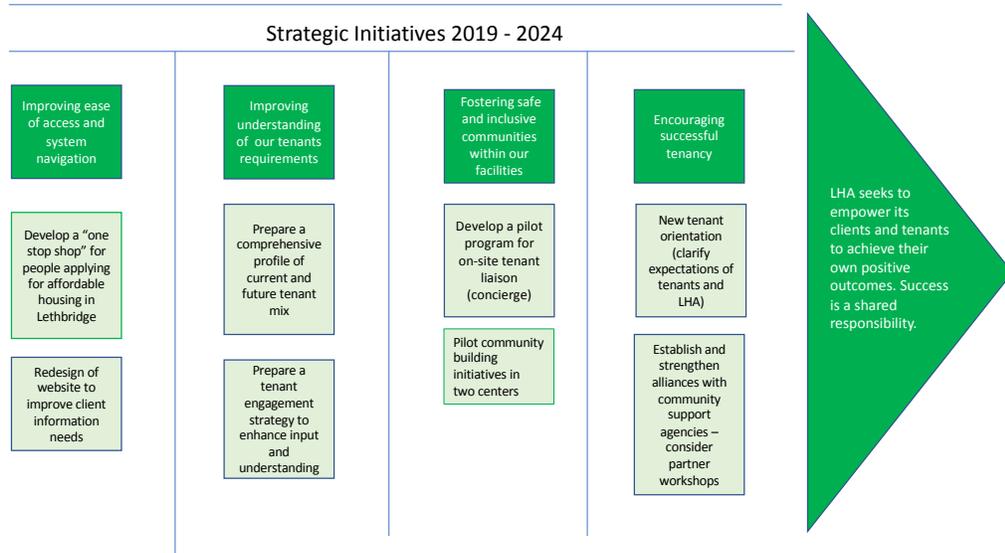


For each strategic priority, a series of goals have been established for the next 3 – 5-year period. Practical actions and projects have been identified that will ensure progress is made and monitored.

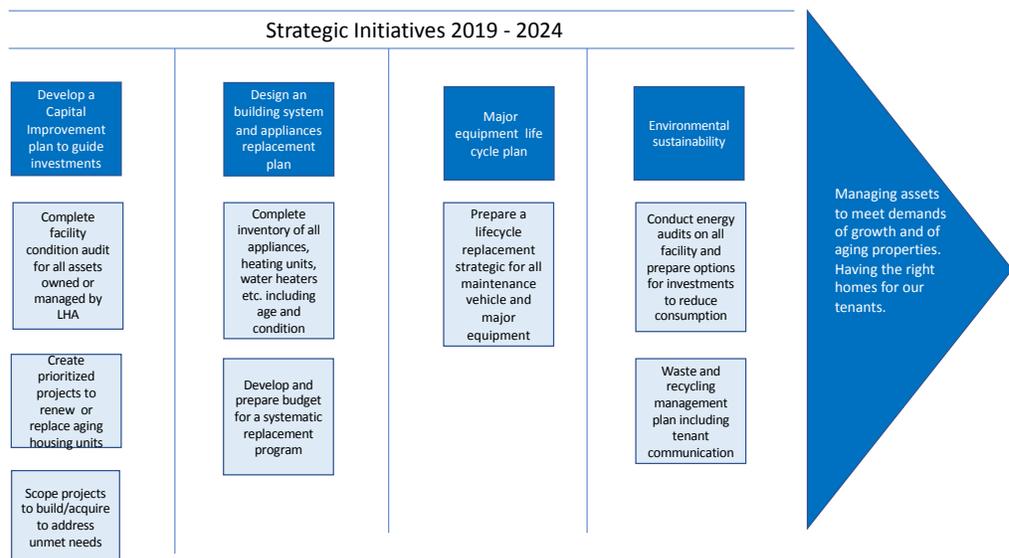
1. A SUSTAINABLE ORGANIZATION



2. A CLIENT FOCUSED APPROACH TO SERVICES



3. FACILITY AND ASSET MANAGEMENT



4. A RESPECTED COMMUNITY PARTNER



Financial Plan and Forecasts:

1. Revenue

Lethbridge Housing Authority forecasts a flat revenue stream over the next three years. This is due to the restrictions on Housing Management Bodies as legislated in the Social Housing Accommodations Regulations (SHAR). Recommendations to increase revenue will require SHAR changes in three main areas.

1.1 Remove income exemptions

1.2 Increase to Minimum rent

1.3 Adult Health Benefit Card – rent should not be charged based on the Social Allowance schedule but instead on the RGI of the client.

2. Expenses

Utilities – with the passing of Bill 1 – Carbon Tax Repeal may provide relief of utility costs going forward. However, with the potential imposition of a Federal Carbon Tax, LHA is conservatively forecasting a 1% increase year over year.

Operating & Administration – LHA forecasts a relatively stagnant requirement. That said one can never predict pest control. Also, with the increasingly complex clients housed in LHA's units the need for vigilant oversight of tenant management is a must to keep bad debts as low as possible.

Operating Maintenance – LHA Maintenance department continues to excel at maintaining properties owned by ASHC. We forecast a 1% increase in costs year over year to 2022

Human Resources- LHA continues to strive to be an employer of choice in the City of Lethbridge. We are fortunate to have three journeymen in various trades on our maintenance team. We are also privileged to have an experienced senior management team leading the organization with a strong succession plan in place to ensure the ongoing success of our organization. As such, LHA forecasts a 1% increase to wages year over year.

Capital Planning Strategy

1. Seniors Self Contained (SSC) Accessible Apartment Style Units

Lethbridge Housing Authority currently does not have fully accessible units available for our aging population. All three of our current SSC hi-rises were built in the early 1980's. As stated in our business plan, the client's needs have greatly changed. Our current facilities have reached the end of their first lifecycle and now present an opportunity for LHA to begin repurposing those units to meet the needs of our community as stated in Lethbridge's Municipal Housing Strategy. In order to do this LHA must first ensure purpose-built SSC apartments are built. The units must be 10% fully accessible and an additional 10% partially accessible. Today seniors value their independence. Many choosing to stay in SSC units well into their 80's and early 90's. LHA must ensure our units are built to accommodate their aging needs. Lethbridge's population currently has 16.4% seniors comparatively the Alberta average is 12.3% This data clearly shows in order to meet the demand of current and future seniors LHA must ensure we focus on building seniors' units.

Lethbridge Housing Authority also recognizes that senior's income is relatively stable compared to the community housing clients. Having a greater number of SSC units in our portfolio allows LHA to be a more financially sustainable housing management body. We further acknowledge a need for mixed model seniors' apartments. LHA is recognized in the community of seniors as a landlord of choice. We have seniors applying to our SSC that are over the income threshold's but want to live with us because

we take great care of our properties and we engage our seniors in social activities. We have worked hard to ensure seniors in our units feel valued and take pride in their home. We forecast mixed model seniors self-contained assessable units will assist in lower our financial deficit.

2. Supportive & Transitional Housing

Lethbridge Housing Authority recognizes a gap in the current housing market in Lethbridge for those individuals who need supports for a relatively short (2-3 years) period in order to ensure their success in moving along the housing continuum and their everyday lives. Moving forward LHA will further develop partnerships with mental health and addictions support services. We see LHA as a valued partner providing affordable (RGI) housing to those working towards independence our community. Alliances with organizations such as Canadian Mental Health Association, Southern Alberta Self Help Association (SASHA) and Alberta Health Services Addictions and Mental Health will support members of our community in working together for a healthy successful future. Going forward LHA will begin capital planning for low rise apartment style unit (<20) in an effort to meet these needs.

3. Permanent Supportive Housing (PSH)

The City of Lethbridge has seen an increase of 153% in our homelessness from 2014 to 2016. LHA acknowledge that many of our current homeless population will never be able to function independently. We also know the approximate cost of a person living in homelessness is \$114,850 per year. Comparatively the cost to house that same individual in a permanent supportive housing facility is between \$34,000 - \$43,000 per year depending on the health needs. Partnering with the CBO to end homelessness (currently City of Lethbridge) LHA must be a leader in the development of affordable PSH. We have the expertise in asset management to ensure a PSH facility will be a well-maintained structure in our city providing a large social return on the investment made by ASHC and Community and Social Services.