



# 2017 ONPHA Conference and Trade Show

Shaping  
OUR  
Future

101

Evolving with EOA:  
Thinking Strategically,  
Acting Locally

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# Learning goals

1. Rethinking how to approach EOA through a design thinking lens
2. Learning from specific case studies to illustrate common challenges and how they shape provider EOA responses within a local context
  - evolving community needs
  - local market drivers
  - financial realities
  - asset conditions



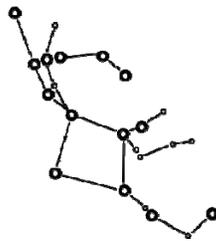
# Case studies

Research on EOA	Portfolio Planning and EOA	Specific Projects and EOA – Impact Assessment / Planning
National Housing Collaborative Social Housing Research Paper on Impact of EOA (2016)	Capital Financing and Community Revitalization Plan, Peterborough Housing Corporation (2015-2016)	Unitarian House, Pre-EOA Review (2016-2017)
Housing Services Corporation and Ontario Municipal Knowledge Network, Social Housing End Dates in Ontario: Assessing Impacts and Promoting Good Practices (2012)	City of Kingston, Step Down Funding and End of Operating Agreement Strategy (2015-2016)	Bruce County Housing Corporation, Business Case Assessment of Two EOA Projects (2015-2016)
Housing Services Corporation, Housing Regeneration Case Studies (2013)	Bruce County Housing Services, LHC Regeneration Scan Background Report (2013)	Two Co-operatives, Feasibility Study of Redevelopment Options Post EOA (2013 - 2016) and Feasibility Study of Options Post EOA and Building Lease (2013)



# Context

**Today, the stars are aligned to reframe affordable housing as a key driver of social and economic success.**



- ☆ **Affordable housing is on the political agendas of all orders of government.**
- ☆ **Ontario's population is projected to grow by about 30% over the next 25 years.**
- ☆ **Housing wait list pressures persist in most communities across Ontario.**
- ☆ **There is a desire to collaborate, break down silos, and tackle problems in new ways.**
- ☆ **Housing providers are key stakeholders in the housing system.**



# The unknowns or influencers

- National housing strategy (federal)
  - Funding investments for sustaining stock, building new supply and renewal
- Social housing modernization (provincial)
  - A more modern program framework and improved housing access
  - Using new funding approaches (e.g. portable housing benefit)
  - Having a vibrant sector with non-profit and coop partners
- Local service systems (SM/DSSAB/municipal)
  - Updates to housing & homelessness plans
  - Responsive affordable housing strategies
  - Continued fiscal pressures and needs

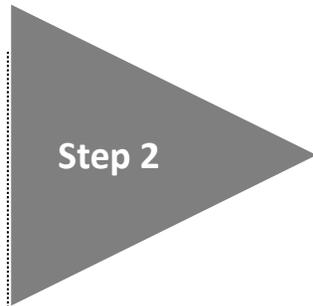
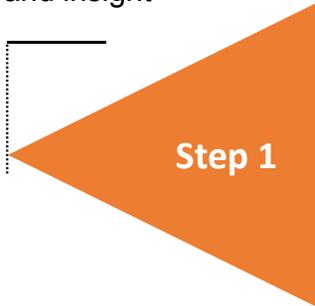


# Design thinking approach

# Design thinking

## Problem Finding

Discovery, vision, and insight

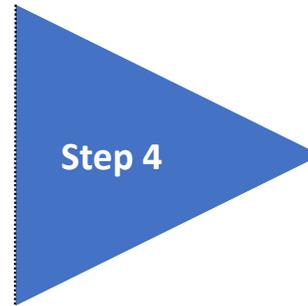
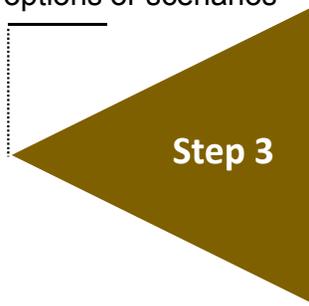


## Problem Framing

Focusing on the definition of the problem you are trying to solve

## Solution Finding

Developing potential options or scenarios



## Solution Selection

Converging on one preferable solution

## Solution Implementation

Looking at how you might evolve and implement a new idea



*Source: Adapted from IDEO Human-Centered Design Model and Stanford D.School Design Thinking*





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Step 1

## **Problem Finding**

What are the most pressing issues/opportunities that you should address?

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- 
- 1 Understanding the policy context and emerging environmental trends**

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  - 2 Understanding local needs**

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  - 3 Understanding your position in the local housing system**

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  - 4 Understanding your financial realities**

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  - 5 Understanding the condition of your assets**

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Step 1

## Problem Finding

### 1. Understanding the policy context and emerging environmental trends

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- 
- 1.1 What is the local policy context in which your project operates?

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  - 1.2 How is this influenced by broader external policy frameworks?

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  - 1.3 What are the emerging trends that might shape the future of your building and organization?

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#### Tools and resources

- Local/regional housing and land use policies
- Federal and provincial housing policies/strategies
- STEEPV: society, technology, environment, economy, politics, values





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Step 1

## Problem Finding

### 2. Understanding local needs

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- 2.1** What opportunities are there to enhance or improve your current and future resident experience?

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  - 2.2** What opportunities are there to respond to current and emerging community housing needs?

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  - 2.3** What other related issues is your community facing, i.e. creating healthy, inclusive and complete communities
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#### Tools and resources

- Tenant/resident satisfaction surveys
- Housing and homelessness plans, needs assessments
- Official plans, regional plans and other planning documents





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Step 1

## Problem Finding

### 3. Understanding your position in the local housing system

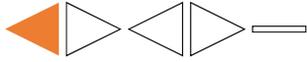
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- 
- 3.1** Who are the players that are active in your local housing market?
- 
- 3.2** What are the local market drivers that might affect your housing development?
- 
- 3.3** What direction is the market headed and where does your organization fit in this future?
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#### Tools and resources

- Housing and homelessness plans
- Inventory of housing supply, local production trends
- Housing market forecasts, municipal growth strategies
- Engagement / consultation





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Step 1

## Problem Finding

### 4. Understanding your financial realities

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- 4.1 How do different program funding obligations post-EOA affect your portfolio?

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  - 4.2 What are the factors that influence your financial sustainability beyond EOA?

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  - 4.3 What access/limits do you have to funding, borrowing and financing?

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  - 4.4 Do you have sufficient cash flow now and will you in the future?

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#### Tools and resources

- Audited financial statements, budget projections, benchmarks
- Capital reserve fund forecasts, financial modelling tools
- Financial indicators (e.g. market valuation, LTV and DCR ratios)





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Step 1

## Problem Finding

### 5. Understanding the condition of your assets

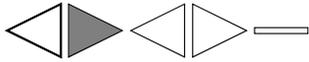
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- 
- 5.1** What is the physical condition of your asset? Have you completed a BCA and/or related technical studies?
- 
- 5.2** What are the physical limitations of your assets? (e.g. form, age, service life)
- 
- 5.3** What opportunities exist in terms of location, intensification potential, diversification?
- 
- 5.4** What residual value do your assets represent and how can you unlock this?
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#### Tools and resources

- Building Condition Assessments, FCI and EFCI measures
- Designated Substance Surveys, ESA reports
- Official plan, zoning, neighbourhood mapping





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Step 2

## **Problem Framing**

Focusing on the definition of the problem you are trying to solve

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- 
- 1 Building on strengths, exploring ways to address weakness**

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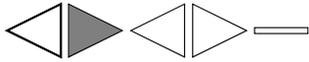
  - 2 Balancing risks and opportunities**

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  - 3 Defining the vision, mission and guiding principles of your project**

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Step 2

## Problem Framing

1. Building on strengths, exploring ways to address weaknesses

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1.1 Where are there opportunities for your organization to lead?

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1.2 Are there areas where your organization should follow/support others?

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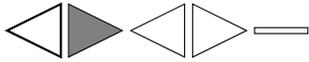
1.3 Should your organization discontinue activities in non-core areas?

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### Tools and resources

- Organizational logic model
- SWOT analysis
- Service system inventory/mapping





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Step 2

## Problem Framing

### 2. Balancing risks and opportunities

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#### Tools and resources

- Financial impact analysis
- Risk assessment
- Opportunity scanning

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How can risks be managed such as:

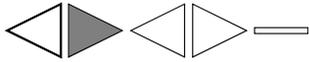
- 2.1**
- Maintaining on-going financial viability
  - Sustaining affordability for residents
  - Addressing capital shortfalls

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How best to take to take advantage of opportunities such as:

- 2.2**
- New operational flexibilities
  - Increased autonomy
  - Leveraging accumulated equity
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Step 2

## Problem Framing

3. Defining the vision, mission and guiding principles of your project

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**3.1** What's the vision/mission for your organization as you head towards the post-EOA period?

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**3.2** What principles and objectives underlie this vision/mission?

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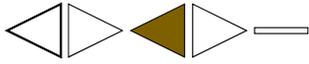
**3.3** How do internal and external stakeholders view your organization's value in the system?

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### Tools and resources

- Mission/vision statement templates, strategic plan
- Service delivery model
- Stakeholder consultation, 360° evaluation





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Step 3

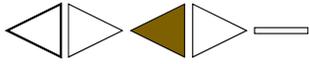
## **Solution Finding**

Developing potential options or scenarios

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- 
- 1 Finding efficiencies in existing operations**
  - 2 Scanning best practices and options used elsewhere**
  - 3 Leveraging opportunities through collaborations and partnerships**
  - 4 Developing prospective options and strategic directions**
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Step 3

## Solution Finding

### 1. Finding efficiencies in existing operations

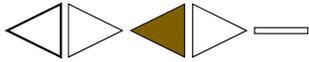
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- 
- 1.1** Are there cost savings opportunities that exist which could enhance efficiency?
- 
- 1.2** What revenue generating opportunities exist that could increase cash flow?
- 
- 1.3** Are there alternative ways to deliver services more effectively and efficiently?
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#### Tools and resources

- Benchmarking costs/revenues
- Cost/benefit analysis, energy audits
- Shared services models, bulk purchasing





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Step 3

## Solution Finding

### 2. Scanning best practices and options used elsewhere

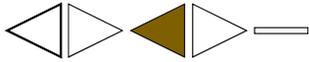
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- 
- 2.1** What innovative financial models being used in the sector could be applied?
- 
- 2.2** Are there best practices in service delivery that could offer benefits to your organization?
- 
- 2.3** Are there non-conventional solutions or approaches that may be applicable?
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#### Tools and resources

- Financial models inventory
- Performance indicators and best practice summaries
- Environmental scanning results





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Step 3

## Solution Finding

### 3. Leveraging opportunities through collaborations and partnerships

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**3.1** How can you maximize the use of your assets to fulfill your vision/mission?

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**3.2** How can collaboration further your vision/mission as an organization?

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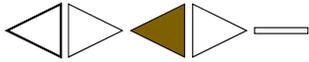
**3.3** How can you extend your organization's impact through the use of strategic partnerships?

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#### Tools and resources

- Asset leveraging strategies
- Service system inventory/mapping
- Service or development partnership agreements, MOU's





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Step 3

## Solution Finding

### 4. Developing prospective options and strategic directions

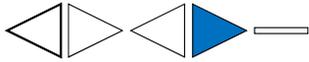
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- 
- 4.1** What are the key strategic directions the organization should pursue in order to fulfill its vision/mission?
- 
- 4.2** Among these strategic directions, which priorities are most important to address?
- 
- 4.3** What range of options could effectively meet the directions/objectives that the organization has identified?
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#### Tools and resources

- Strategic asset management plan
- Corporate strategic plan
- Sector scan of prospective options





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Step 4

## **Solution Selection**

Converging on one preferable solution

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**1 Defining evaluation criteria**

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**2 Evaluating potential options**

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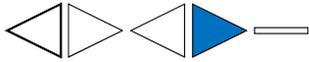
**3 Assessing financial impacts**

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**4 Connecting back to vision, mission and objectives**

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Step 4

## Solution Selection

### 1. Defining evaluation criteria

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- 
- 1.1 What elements/drivers are key indicators of the outcomes you are seeking?

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  - 1.2 How do these align with the vision/mission and objectives?

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  - 1.3 Is there sufficient data to measure or quantify these elements/drivers?

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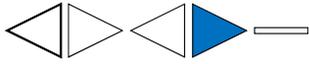
  - 1.4 How can you emphasize priorities through weighting of criteria?

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#### Tools and resources

- Defined data indicators
- Vision/mission statement, objectives and principles
- Criteria weighting scale





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Step 4

## Solution Selection

### 2. Evaluating potential options

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**2.1** Does the option improve performance?

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**2.2** Does the option enable untapped potential to be realized?

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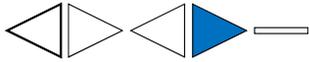
**2.3** What impact will the option have in addressing needs and maximizing value?

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#### Tools and resources

- Opportunity/constraint analysis
- Impact assessment template
- Evaluation matrix, rank analysis





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Step 4

## Solution Selection

### 3. Assessing financial impacts

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**3.1** What is the projected operational and capital financial impact?

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**3.2** What is the cost vs. benefit of the option?

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**3.3** Are there plausible resources/options for mitigating financial impacts?

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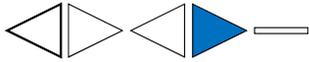
**3.4** Is there an opportunity cost for NOT pursuing an option?

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#### Tools and resources

- Pro forma financial analysis and scenario testing
- Financing models and associated forecasting
- Cost/benefit analysis





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Step 4

## Solution Selection

### 4. Connecting back to vision, mission and objectives

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**4.1** Is there a clear link back to the established vision/mission?

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**4.2** Does the option align with the objectives as originally envisioned?

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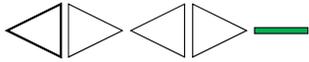
**4.3** To what degree does the option meaningfully address the issues that were originally identified?

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#### Tools and resources

- Defined vision/mission statement
- Established objectives and outcomes
- Initial problem statements





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Step 5

## **Solution Implementation**

Looking at how you might evolve and implement a new idea

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- 
- 1 Setting out plan steps, overall timeframe and appropriate phasing**

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  - 2 Identifying resources and tools for implementation**

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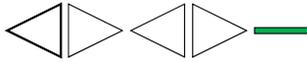
  - 3 Defining the capacity plan and managing change**

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  - 4 Establishing implementation strategies for moving the plan forward**

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Step 5

## Solution Implementation

### 1. Setting out tasks, timeframe and phasing

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**1.1** What steps need to be taken to implement the preferred solution?

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**1.2** What is the overall timelines for completing the plan?

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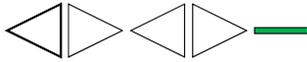
**1.3** How will the plan be staged to address organizational and financial capacity as well as minimizing tenant impacts?

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#### Tools and resources

- Task listing and associated Gantt charting
- Critical path plan with identified process barriers
- Phasing strategy





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Step 5

## Solution Implementation

### 2. Identifying resources and tools for implementation

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**2.1** What financial resources are needed and when in the plan process?

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**2.2** What additional resources will be required and when in the plan execution process?

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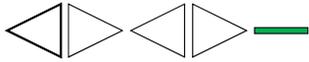
**2.3** How will acquisition of resources be coordinated during the plan process?

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#### Tools and resources

- Costing analysis for preferred solution
- Solution resourcing plan
- Contingency analysis





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Step 5

## Solution Implementation

### 3. Defining the capacity plan and managing change

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**3.1** What staff capacity is needed to guide the plan implementation process?

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**3.2** Where additional oversight resources are required, how will these be coordinated?

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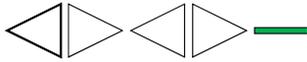
**3.3** How will portfolio changes be managed within the organization and with residents?

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#### Tools and resources

- Project management plan
- Change management strategy and communications plan
- Stakeholder consultations, tenant transition strategy





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Step 5

## Solution Implementation

### 4. Establishing implementation strategies for moving the plan forward

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**4.1** What governance and accountability framework will be used to advance the plan?

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**4.2** What are the key success factors to realizing the project plan?

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**4.3** How will progress be monitored and plan effectiveness be measured?

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#### Tools and resources

- Project charter with defined roles
- Progress monitoring/reporting template
- Plan performance/evaluation measures



# Putting it all together

***As you head towards EOA, managing challenges and taking advantage of opportunities is important but having a driving vision is essential.***

- ⇒ **Stretch your thinking, be strategic**
- ⇒ **Spend the necessary time on the front end to ensure you land 'on target'**
- ⇒ **Understand your local market, set your course with regards for anticipated trends**
- ⇒ **Build on your success going forward by being financially realistic**
- ⇒ **Use proven tools but be open to alternative approaches**
- ⇒ **Leverage partnerships and resources to increase your impact**



# Circling back to the Learning Goals

- Rethinking how to approach EOA through a design thinking lens
- Learning from specific case studies to illustrate common challenges and how they shape provider EOA responses within a local context
  - evolving community needs
  - local market drivers
  - financial realities
  - asset conditions



# Questions?



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