

Housing Nova Scotia



Opening Possibilities.

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Message from the Minister and the CEO for Housing Nova Scotia

We are pleased to present Housing Nova Scotia's business plan for 2017-18. This plan outlines our ongoing priorities to provide safe, suitable and affordable housing for low-and modest income Nova Scotians. Our work involves making strategic investments, leveraging new funding, and building on critical partnerships to help further position ourselves to meet current and future housing challenges.

In carrying out our core functions, we are focused on leveraging opportunities with other partners to deliver affordable housing outcomes for low-and modest income households and persons with disabilities. We are eager for the release of a National Housing Strategy in the coming months and will ensure we are aligned to take advantage of existing and new funding programs for the benefit of our clients.

While there are a number of priority activities for the coming year, the following four key areas sum up our focus:

Improve access to public housing. Hard work over the past year has led to the reduction of the public housing wait list by 10%. By investing federal social infrastructure funds to make more rent supplements available, we can continue to help more Nova Scotians access safe, affordable homes.

Preserve and maintain public housing. We continue to create new housing options, upgrade family and seniors' housing, create greater access to affordable rental housing, and build partnerships with private landlords.

Break the cycle of homelessness. We will continue our commitment to Housing First, one of the most innovative and effective approach to helping vulnerable individuals find more stable housing options.

Strategic Partnerships. We will work with our local and federal partners to continue to upgrade our facilities and create new opportunities for Nova Scotians in core housing need. We will also turn to businesses and the non-profit sector to help increase the supply of affordable housing.

We look to the year ahead with renewed focus on putting our clients at the centre of everything we do. We will continue to ensure the services we offer are delivered how and when Nova Scotians want them.

Sincerely,

Originally signed by
The Honourable Joanne Bernard
Minister responsible for Housing Nova Scotia

Originally signed by
Dan McDougall
President and Chief Executive Officer, Housing Nova Scotia

Mandate

Housing Nova Scotia is the primary housing delivery agency in Nova Scotia. It is responsible for ensuring the availability of safe, suitable, and affordable housing for all Nova Scotians.

Our core functions as set in the *Housing Nova Scotia Act* are:

- Establish housing projects and construct housing accommodations of all types for sale and rent
- To plan, design, build, own maintain, manage, and operate housing projects
- To construct, acquire, renovate, and maintain housing of all types and sell, lease, or otherwise dispose of such housing
- To promote, construct, and provide more adequate and improved housing for low income households
- To improve the quality of housing and the quality of amenities related to housing

In carrying out its core functions Housing Nova Scotia is focused on leveraging opportunities with other partners to deliver affordable housing outcomes for low to moderate income households.

Key External Drivers

Sustainability of the Public Housing Portfolio

Nova Scotia has one of the oldest social housing stock in the country. Approximately one-third of the units are at least 40 years old – built before 1976. Another third were built 35-40 years ago. The age of the stock drives the need for capital improvements including the replacement of major building systems. In addition, inflationary pressures on the cost of things such as utilities, fuel oil, building materials and wages have had a significant impact on the annual operating costs.

Core Housing Need

Canada uses core housing need data to measure housing need. It indicates the number of low-income households who could not access affordable, suitable, adequate housing without spending 30% or more of their total household income on housing. The 2011 data indicates that 12.5% of households in Nova Scotia are in core housing need. The province ranks 5th out of the ten provinces – the rates range from a low of 10.1% in Alberta to 14.6% in British Columbia.

Looking in detail at the 2011 provincial core housing need¹ data:

- Of the 12.5 %, approximately 90% of households have an affordability problem which means they are paying 30% or more of their total household income on housing;
- By household type, non-senior 1-person households, senior led households and lone parent households, account for 30.5%, 29.4% and 20.6% of the households in core housing need;
- 63% of renter households in the province are in core housing need and the majority of these households live in the Halifax and Sydney areas;

¹ Canada Mortgage and Housing Corporation's definition of "core housing need." A household is said to be in core housing need if its housing falls below at least one of the adequacy, affordability or suitability, standards and it would have to spend 30% or more of its total before-tax income to pay the median rent of alternative local housing that is acceptable (meets all three [housing standards](#) – adequate, affordable and suitable).

- Outside the larger urban areas of the province, more owner households are in core housing need than renters; and,
- 44% (20,410) of the households in core housing need live in the Halifax area.

More current CMHC data indicates that in 2014, 13.7% of Nova Scotia’s urban households are in core housing need. This includes the Halifax, Sydney, Kentville, Truro and New Glasgow urban areas.

Compounding these figures, Nova Scotia has among the oldest housing stock in the country and a high per capita rate of older adult households and persons with disabilities.

Demographic Changes

- Highest disability rate in the country at 20% based on 2012 Statistics Canada data
- Second highest per capita rate of older adults at least 65 years of age estimated at 19.4% in 2016 compared to 16.6% in 2011
- 2016 Census data reflects continued rural to urban shift in the population, but at a lower rate Approximately 1.4% between 2011-16 compared to 2.4% over the 2006-11 period
- Increasing number of 1 and -2 person households, almost two out of every three households in 2011
- Increasing number of immigration – over 3,200 persons in 2015, and 2,730 persons in 2016 as of June 2016

Federal Housing Initiatives

Federal funding arrangements also drive Housing Nova Scotia’s housing activities. The majority of what Housing Nova Scotia does, is tied to bi-lateral federal/provincial housing funding agreements. For example, in February 2016, the federal government’s budget announced a two-year social infrastructure initiative. For Nova Scotia, this involves approximately \$75M, comprised of both Federal and Provincial funding, for creating and preserving affordable housing. There is a tight timeline for delivering these funds as illustrated in the table below.

Social Infrastructure Expenditure Timeline Delivery Schedule		
	\$ Must be committed by:	\$ Must be expended by:
Year 1	March 31, 2017 (\$48.1M)	March 31, 2019 (\$48.1M)
Year 2	March 31, 2018 (\$26.7M)	March 31 2020 (26.7M)

In addition to the Social Infrastructure funding announced in February 2016, the federal government stated its intent to develop a national housing strategy. Canada Mortgage and Housing Corporation (CMHC) was designated the lead federal agency. CMHC undertook a consultation process and its findings were released in November 2016. Key themes that emerged were:

- Helping those in greatest need
- Helping indigenous peoples achieve better housing outcomes for themselves
- Eliminating homelessness
- Making housing more affordable
- Adopting a housing systems perspective

- Housing policies and programs should center on people and place

CMHC is scheduled to release the national strategy in Fall 2017.

Given that Housing Nova Scotia and its programming will be impacted by the National Housing Strategy, its priorities and future funding streams, Housing Nova Scotia has undertaken a review of its priorities, programs and services to see how it might better align and leverage any new funding to better address current and emerging housing issues, deliver on its mandate and best serve its clients into the future.

Why Housing Matters

Housing is a determinant of health. Low income families, seniors, persons with disabilities, vulnerable individuals and victims of domestic violence benefit when we improve access to affordable housing that is safe, suitable, and affordable. Having a place to call home has a positive impact on the health and social well-being of individuals.

Older adults and persons with disabilities want to stay in their homes and live independently and with dignity in their communities for as long as possible. Investing in programs that enable them to do this improves their quality of life, social well-being and may enable them to continue to participate in the economy. From a fiscal perspective, repairing and adapting homes, retrofitting existing seniors rental housing and building new seniors housing is more cost effective than institutional care.

Housing Nova Scotia has been an active participant in the Department of Senior's initiative to develop a policy framework respecting Nova Scotia's aging population. Investing in home repair/adaptation programs; upgrading existing government-owned seniors housing and partnering with the private sector to build new affordable and accessible senior housing, supports the policy objective in the framework – create the conditions for older adults to age in place in their homes and communities.

Housing is more than just shelter. It is one of the basic building blocks for creating healthy, sustainable and inclusive communities. Our investments in affordable housing helps to sustain communities across the province by:

- improving the range and supply of safe affordable housing options;
- creating local employment; and,
- providing apprentice training opportunities.

These three activities also work together to retain our young people.

Priority Action Items for 2017-18

In the coming years, Housing Nova Scotia will focus on four priority areas:

1. Reduce our public housing wait lists;
2. Preserve / sustain our public housing stock;
3. Help vulnerable Nova Scotians who have a housing need; and
4. Partner with the private and not-for-profit sector to provide affordable housing solutions.

To address these priorities, Housing Nova Scotia will pursue the following five action items in 2017-18.

1 - Invest federal social infrastructure funds for housing.

■ This action item addresses all four priority areas.

In 2016, the federal government announced the Social Infrastructure Fund. For Nova Scotia, this involves approximately \$75M in new money for housing, which was comprised of both Federal and Provincial funding.

A significant portion of the funds (\$32M) must be targeted toward: affordable housing for seniors, shelters for victims of domestic violence; and retrofitting and renovating social housing with an emphasis of energy efficiency. These targeted federal funds do not have to be cost-matched by the provincial government.

We will commit approximately \$26M of the \$32M in 2016-17 and the remainder, \$6M, in 2017-18. Over half the funds, \$18.2M, are targeted at capital improvements to public housing buildings and life safety items.

The remaining social infrastructure funds, \$40.8M will be delivered through the CMHC/Nova Scotia Agreement for Investment in Affordable Housing 2014-2019 Extension Agreement (IAH Agreement) in 2016-17 and 2017-18. These funds are cost-shared equally by the federal and provincial governments. The objective of the Agreement is to improve access to affordable housing. Funds delivered under the IAH funds are being used to support provincial initiatives aimed at:

- Increasing the supply of affordable housing (i.e., creating new units in partnership with private sector or not for profit partners)
- Improving access to affordable housing options for vulnerable households (i.e., funding new rent supplement units and funding to upgrade/ repair shelters for victims of family violence);
- Improving and preserving the quality of existing affordable housing (i.e., funding home repairs and renovations); and,
- Fostering safe independent living (i.e., home adaptations for seniors or persons with disabilities).

In addition to the above IAH Agreement initiatives, in Year 2, Housing Nova Scotia will introduce a pilot homeownership down payment assistance program. This pilot program is targeted at helping approximately 75 to 100 modest income households buy their first home and at keeping young families in Nova Scotia.

2 - Continue to invest available funds, approximately \$20.4 million per year, under the Investment in Affordable Housing 2014-2019 (IAH Agreement).

■ This action item addresses priority areas 1, 3 and 4.

The 2014-2019, bi-lateral IAH agreement, involves \$102M in cost-shared funds over the 5-year period. In the first 2-years of the IAH agreement, we committed approximately \$41M² and improved access to affordable housing for over 5,000 low-income households. In the current fiscal year, year 3 of the 5-year IAH Agreement, we are forecasting \$18.9M in expenditures.

² See Year 1 and Year 2 reports on how the monies were invested. <http://housing.novascotia.ca/Publications>

3 - Continue to invest the Deferred Federal Contribution funds under the Social Housing Agreement as announced in 2014-15.

- This action item addresses all four priority areas.

This 2014 initiative involved strategically investing \$42M of the Deferred Federal Contributions (DFC)³. Funds were targeted at three activities – approximately \$24 million to upgrade the existing public housing portfolio, \$8M to upgrade existing co-operative housing, and \$9.4M to fund approximately 300 new rent supplement units over a ten-year period. All the funds have been committed; however, some projects will not be completed until 2017-18.

4 - Continue to work with CMHC and other provincial/territorial agencies responsible for housing in developing a multi-lateral housing framework for the new National Housing Strategy.

- It is anticipated that this action item will address all four priority areas.

Nova Scotia, other provinces and territories and CMHC have agreed to work together in a way that recognizes provinces and territories as primary partners in the development and delivery of a National Housing Strategy and recognizes the importance of collaboration in achieving the best possible outcomes. Nova Scotia has met with CMHC and provided details on the housing priorities, key issues and challenges and opportunities for housing in the province.

In 2017, Nova Scotia will be working with CMHC and our provincial/territorial counterparts to develop a multi-lateral framework agreement that will establish the details of the federal, provincial and territorial partnership and the outcomes of a National Housing Strategy. This will be followed by discussion with CMHC to develop a bi-lateral funding agreement for Nova Scotia which will impact future programming in the Province.

5 - Continue to develop strong partnerships with communities including the not for profit sector and municipalities.

- This action item addresses priority areas 3.

- (1) Housing Nova Scotia is supporting the Housing First Project by committing to provide funds to subsidize 50-60 rent supplement units. As of February 2017, we have invested in creating 34 rent supplement units. The project is targeted at transitioning chronic and frequent users of Halifax emergency shelters into permanent housing with access to on-going support services. These services are provided through MOSH (the Mobile Outreach Street Health Unit). Resources include, for example, an intensive case management team (ICM), mental health nurse and an occupational therapist. Multi-year project funding was obtained through the federal Homelessness Partnering Strategy.
- (2) Housing Nova Scotia is committed to breaking the cycle of homelessness and helping vulnerable individuals find more stable housing options. We, also, fund a Housing Support Worker Program that provides emergency shelter providers in the Halifax area with funds to hire a housing support worker. This is augmented by investing IAH Agreement funds in rent supplement units to support the activities of these workers. Since 2011, the support worker program has successfully supported the transition of 2,150 individuals into long term housing.

³ Under the Canada/Nova Scotia Social Housing Agreement, the Province can keep any unspent federal funds and put it in a deferred federal contribution (DFC) fund. These funds can only be spent on rent geared to income housing initiatives for targeted households and on social housing programs included in the Agreement.

Operational, Effectiveness and Improvement Action Items for 2017-18

To ensure that Housing Nova Scotia is well positioned to meet the current and future emerging issues, challenges and opportunities to best serve the most vulnerable populations in Nova Scotia we are focused on:

- Modernizing our delivery of services – we want to streamline our processes and maximize use of technology;
- Enhance capital planning to ensure future sustainability of assets;
- Maximizing resources and structure to best address client needs; and,
- Leveraging opportunities with other partners to deliver on housing outcomes for Nova Scotians.

Employing this lens, our operational action items for 2017-18 are:

- (1) Review Housing Nova Scotia's Housing Services existing home repair/adaptation grant and loan programs to identify opportunities to streamline programs; improve the effectiveness and efficiency in processing; and enhance service delivery.
- (2) Review of Housing Nova Scotia's corporate governance and organizational structure including the Housing Authorities.
- (3) Begin the development of a Client Service Strategy.
- (4) Begin 5-year review of social housing portfolio as required by the CMHC/Nova Scotia Housing Development Corporation Social Housing Agreement.

Performance Measures

It is anticipated that the National Housing Strategy will set out a series of outcomes that will involve the annual tracking and monitoring of new performance indicators. Once established, we need to align the new outcomes and indicators with those set out in Housing Nova Scotia's annual business plan. Current performance measures are set out below.

Objective - Contribute to improving access to affordable housing, that is safe, suitable, and affordable, for low to modest income households

■ **Measure 1:** Number of new affordable rental housing units created.

Planned Action for 2017-18:

- Invest Social Infrastructure funds - Create over 100 new affordable rental units.
- Invest Social Infrastructure funds in a pilot homeownership down payment programs targeted at assisting 75-100 modest income households.
- Continue to deliver regular IAH 2014-2019 Agreement funds – Create approximately 80 new rental housing.

■ **Measure 2:** Number of rent supplement units created that are targeted at reducing the public housing wait lists.

Planned Action for 2017-18:

- Invest Social Infrastructure funds – Create approximately 200 new rent supplement units.

■ **Measure 3:** Number of existing affordable homes preserved through major health and safety related repairs

Planned Action for 2017-18:

- Continue to invest Social Infrastructure funds targeted at preserving existing affordable housing.

- Continue to invest regular IAH 2014-2019 Agreement funds in home repair programs. In the past two years, 2014-15 and 2015-16, we have helped on average, approximately, 1,100 households with needed health and safety related home repairs.

■ **Measure 4:** Seniors and persons with disabilities helped by health and safety related repairs tor home adaptations

Planned Action for 2017-18:

- Continue to invest IAH 2014-19 Agreement funds in home repair/adaptation programs targeted at seniors at least 65 years of age and persons with disabilities. In 2015-16, we assisted approximately 1,000 households.

■ **Measure 5:** Number of the Department of Community Services’ Disabilities Support Program’s clients assisted in finding safe, and stable housing adapted to their needs. (Type and range of housing assistance is under discussion.)

Planned Action for 2017-18:

- In discussion with Department staff delivering the Disabilities Support Program determine range and type of needs and develop an action plan to best address the need from a housing perspective.

Contribute to providing affordable housing tenure options for low to modest income households.

Measure 1: Percentage of existing co-operative housing organization that are “healthy” in terms of their financial, democratic and physical conditions.

Planning Action for 2017-18:

- Monitor the “health” of the existing co-operative portfolio.
- Work with the co-operative housing organizations and the Co-operative Housing Federation of Canada to improve their long-term economic and physical viability.

See table below for performance measures for the 2017-18 operational action items.

Performance Measures for Operational Effectiveness and Improvement Action Items for 2017-18	
Action Item	Measure
(1)Review Housing Nova Scotia’s Housing Services existing home repair/adaptation grant and loan programs	Housing Nova Scotia completes repair/adaptation grant and loan program review and if appropriate develops an action plan to deliver on the review’s recommendations.
(2)Review of Housing Nova Scotia’s governance and organizational structure.	Housing Nova Scotia completes governance and organizational structure review and develops an action plan to implement any recommended changes.
(3)Develop a Client Service Strategy	Housing Nova Scotia adopts client service strategy. Rolls it out to staff and takes steps to integrate the strategy into everyday business.
(4)Begin 5-year review of the social housing portfolio	Housing Nova Scotia develops project terms of reference, action plan and timeline or Request for Proposals to consultants to undertake the review.

Budget Context

HOUSING Nova Scotia - Comparative Statements (in '000)

	2015-16	2016-17	2016-17	2017-18	2017-18
	Actuals	Estimate	Forecast	Estimate	-Inc/(Dec) Over 16/17 Est
Revenue from Government Sources	111,050	116,842	133,308	133,469	16,627
Revenue from Rents	56,779	57,301	56,664	58,100	799
Interest, Revenue from Land Sales and Other Revenue	34,550	34,774	33,826	33,510	(1,264)
TOTAL FUNDING	202,379	208,917	223,798	225,079	16,162
Interest on Long Term Debt	39,584	41,512	37,935	35,911	(5,601)
Property Management and Operation	64,173	61,035	63,846	62,358	1,323
Maintenance and Capital Improvements	36,577	38,720	42,468	34,860	(3,860)
Housing Renovation and Affordable Housing	20,067	22,810	18,840	22,810	-
Social Housing Subsidies	16,456	21,980	18,931	20,275	(1,705)
Depreciation of Investment in Social Housing	23,253	20,700	23,118	23,100	2,400
Social Infrastructure Fund			13,699	18,280	18,280
Provision for DA	1,180	660	1,173	850	190
Housing Strategy	1,089	1,500	1,500	750	(750)
TOTAL EXPENDITURES	202,379	208,917	221,510	219,194	10,277