

Accountability Report

2015–2016



Housing Nova Scotia



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Accountability Statement

The Accountability Report of Housing Nova Scotia for the year ended March 31, 2016 is prepared pursuant to the **Finance Act** and government policies and guidelines. These guidelines require the reporting of outcomes against the Housing Nova Scotia Business Plan for the fiscal year just ended. The reporting of Housing Nova Scotia outcomes necessarily includes estimates, judgments and opinions by Housing Nova Scotia Management.

We acknowledge that this Accountability Report is the responsibility of Housing Nova Scotia management. The report is, to the extent possible, a complete and accurate representation of outcomes relative to the goals and priorities set out in the Housing Nova Scotia 2015-16 business plan.

Original signed by

Joanne Bernard
Minister responsible for Housing Nova Scotia

Original signed by

Dan McDougall
President and Chief Executive Officer, Housing Nova Scotia

Message from the Minister and CEO of Housing Nova Scotia

2015-16 been a busy year for Housing Nova Scotia. This report provides an update on the status of our key accomplishments, major initiatives, challenges, and budget performance.

Our commitment to help lower-income Nova Scotians find a safe and affordable place to call home, in a healthy and vibrant community is a steadfast pillar around which we undertake all of our activities. Increasing affordable housing opportunities for lower-income families, seniors and persons with disabilities remains our main focus. As outlined in our business plan, the preservation of existing stock and creation of new housing options are critical to ensuring that we can meet our desired outcomes.

This past year, we continued strategic investments to help preserve our social housing portfolio from the Deferred Federal Contribution. As part of our commitment to further reduce our impact on the environment by using technology to make our properties more energy efficient, we launched the Province's first affordable passive house in Truro, an example of innovation and collaboration. We have also renewed our effort on breaking the cycle of homelessness for the most vulnerable citizens with the first Housing First pilot program in partnership with the Halifax Housing and Homelessness Partnership. The Housing First approach focuses on providing immediate access to stable housing options. An array of support services are available for program participants but accessing these services is not a precondition for obtaining housing.

Perhaps most important is that we continued to move individuals and families into safe homes through partnership with the private sector. For the first time in many years, we have been able to increase the number of people placed in safe affordable rental units. This means what we're doing is working and that we must focus our efforts to help even more citizens.

Every day, staff at Housing Nova Scotia and the five Housing Authorities work hard to meet the housing needs of Nova Scotians. As we move into 2016-17, we look forward to new collaborations with the federal government, private sector partners, non-profit organizations and municipalities to work toward our vision of ensuring every Nova Scotian has an affordable, safe home in a vibrant community.

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President and Chief Executive Officer, Housing Nova Scotia

Financial Results

Funding Source	Estimate 2015-16 (\$000)	Actual 2015-16 (\$000)
Revenue from government sources	113,153	111,050
Revenue from rents	57,521	56,779
Interest, revenue from land sales, and other revenue	36,405	34,550
Total funding	207,079	202,379
Expenditure source		
Interest on long-term debt	42,778	39,584
Property management and operation	60,425	64,908
Maintenance and capital improvements	37,771	36,520
Housing renovation and affordable housing	22,810	20,063
Social housing subsidies	20,295	15,790
Depreciation of investment in social housing	21,000	23,241
Provision for Doubtful Accounts and cost of land sold	0	1,184
Housing Strategy	2,000	1,089
Total expenditures	207,079	202,379

Measuring Our Performance

Strategic Goal 1: Healthy vibrant, diverse communities

■ **Number of households assisted through major health and safety-related repairs, and number of affordable units created.**

What is the measure?

This measure looks at the total number of affordable homes preserved through major health and safety-related home repairs and the number of affordable housing units created in the previous fiscal year.

The funding for programs that provide assistance to undertake major health and safety related home repairs and create new affordable housing comes from the CMHC-Nova Scotia Agreement for Investment in Affordable Housing 2014-2019 (IAH Agreement), as well as other provincially funded programs.

Why this measure?

The Province is committed to preserving and creating affordable housing options for low-income households. With some of the oldest housing stock in Canada, Housing Nova Scotia continues to offer programs to improve the health and safety of homes within the Province. Together with programs to create new affordable homes, Housing Nova Scotia is helping to improve the living conditions and quality of life of low income households and helping to build sustainable inclusive communities.

Preserving and creating affordable housing supports the government's health and wellness outcomes along with the improvement of communities and social well-being outcomes. The IAH Agreement also includes an outcome "fostering skilled labour by supporting apprenticeships in the residential housing sector" which aligns with government's Education priority and goal to improve workforce participation by providing opportunities for skills development through apprenticeships.

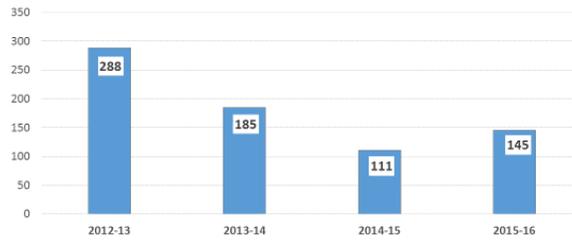
Adequate and affordable housing is the stable base upon which to provide other supports such as job training, day care, education and home care. These investments in housing also create employment opportunities for tradespeople throughout the province.

To increase the supply of affordable housing, Housing Nova Scotia partners with developers to build new affordable rental housing. Our investments involve new construction and the conversion of non-residential buildings into affordable housing. Developments that involve conversions are the most challenging but provide opportunities for affordable housing in existing built-up areas within walking distance of services. Reuse of older vacant buildings strengthens neighbourhoods and converts properties that may be considered eyesores into neighbourhood assets, while increasing the supply of affordable rental housing.

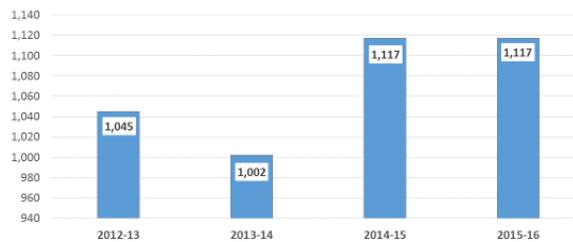
What we accomplished in 2015-16?

In 2015-16, Housing Nova Scotia invested in preserving or creating a total of 1,262 homes. This surpasses the number preserved/created in 2014-15, 1,228. The target for this measure was to maintain or increase the number of households assisted and we achieved an increase in the number helped.

2013-2016 – Number of affordable rental units created and preserved



2013-2016 – Number of homes preserved through major health-and-safety-related repairs



Specifically in the past year, Housing Nova Scotia invested in:

- Preserving 1,117 homes by providing assistance for health and safety related home repairs;
- Preserving 44 rental units and creating 101 new affordable rental units. The new rental projects are in New Glasgow, Shelburne, Amherst, Yarmouth, Sydney and Dartmouth.

In 2016-17 we will continue to invest all available IAH Agreement funds.

Please refer to the table at the end of this report on the 2015-16 Business Plan Performance Measure Changes.

■ Number of neighbourhood improvement initiatives

What is the measure?

This measure looks at the number of new neighbourhoods that have been designated a neighbourhood improvement area.

Why this measure?

The measure speaks to making existing older neighbourhoods healthier – enhancing communities and improving the social well-being of residents. Housing Nova Scotia has implemented a Neighbourhood Improvement Initiative to revitalize older urban areas in need of stabilization. Eligible neighbourhoods may face adjacent or internal pressures related to development, high crime rates or a need to upgrade its visual appearance.

The provincial housing strategy, released in May 2013, refers to neighbourhood revitalization – targeted, focused, revitalization in communities throughout Nova Scotia, like Truro, Sydney and others, to help repair and upgrade homes and structures, and build new ones through residential in-fill.

To complement the Neighbourhood Improvement Initiative, Housing Nova Scotia offers a new housing program that provides assistance for minor exterior property improvements for home owners and landlords in designated neighbourhood improvement areas.

What we accomplished in 2015-16?

In 2015-16 Housing Nova Scotia designated two new neighbourhood improvement areas – one, New Aberdeen, in the former Town of Glace Bay, and another, Main Street, in the Town of Yarmouth. This meets the established target of designating two neighbourhoods each fiscal year. Approximately 100 households received grants for exterior property improvements under the Neighbourhood Spruce Up Program – 36 residential properties in New Aberdeen and 59 in the Main Street neighbourhood in the Town of Yarmouth.

Highlights of improvement activities in the two new designated neighbourhoods include: exterior improvements to doors, windows, steps, roofs, siding, and gutters, public housing upgrades by the Regional Housing Authorities; crime prevention efforts in New Aberdeen with the help of the Association for Safer Cape Breton Communities; building permit fee waiver and partnership with Efficiency Nova Scotia in Yarmouth to promote energy efficiency programs to homeowners.

Please see the table at the end of this report on the 2015-16 Business Plan Performance Measure Changes.

■ **Number of public housing capital investment initiatives**

What is the measure?

This measure looks at the five housing authorities' work order jobs for capital improvements to their public housing portfolio in 2015-16. Looking at the number of capital improvement projects invested in over the past year provides an indicator of the condition of the portfolio. This measure includes projects funded by the Deferred Federal Contributions (DFC) fund and the Capital Replacement Fund.

Why this measure?

Nova Scotia has one of the oldest social housing stocks in the country. We have an aging public housing stock that needs to be maintained. For example, approximately one-third of the public housing units are at least 40 years old – built before 1976. Another third were built 35-40 years ago. Inflationary pressures on the costs of things such as utilities, fuel oil, building materials and wages have had a significant impact on the annual operating costs; consequently, many capital improvements have been deferred. We need to begin to address these deferred capital improvements plus the need for preventative maintenance to prolong replacement and extend the life of building components to ensure the portfolio is sustainable in the long term. Improving the overall condition of the public housing portfolio supports: government's health and wellness outcomes and improves the communities in which low-income households live and it enhances their social-well-being.

2015-16 - Overview of Investments in Completed Capital Improvement Projects in the Public Housing Portfolio		
Housing Authority	# of Projects	Investment
Cape Breton Island	115	\$1.89M
Eastern Mainland	28	\$0.4M
Cobequid	25	\$1.0M
Metropolitan Regional	72	\$3.23M
Western	57	\$1.36M
Total	297	\$7.88M

To begin to address these needs, in 2014-15, the Province announced a planned 5-year investments of \$24.6 million from the Deferred Federal Contribution (DFC) funds to upgrade the existing public housing portfolio.¹ At the end of the 2015-16 fiscal year, we had invested \$10.9 million of the available DFC funds -- \$7.88 million in projects that have been completed and \$3.02 million in outstanding projects. The remaining DFC funds to be invested in upgrading our public housing, \$13.6 million, has been fully allocated to much needed repairs and is on track to be spent by the end of the five year commitment period.

The focus for investing the Capital Replacement funds and DFC funds is on safety, energy efficiency and accessibility.

What we accomplished in 2015-16?

As set out in Housing Nova Scotia's 2015-16 Business Plan, the target for this measure in 2015-16 is 100 projects completed or investing \$4 million in capital upgrades. The target was surpassed as the five housing authorities invested approximately \$7.88 million in 297 projects. See table below. Funding came from the Capital Replacement and DFC accounts. In comparison, over the 2014-15 fiscal year the housing authorities undertook approximately 400 jobs that involved \$8.56 million.

Please refer to the table at the end of this report on the 2015-16 Business Plan Performance Measure Changes.

New Performance Measure for Public Housing Portfolio in 2016-17 Business Plan

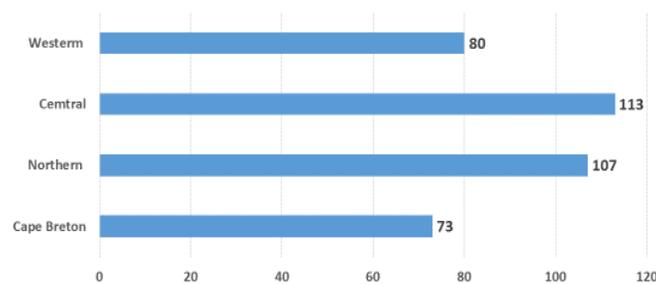
The public housing portfolio measure set out in the corporation's 2016-17 Business Plan focuses on the families and senior households who are waiting for public housing and reducing waitlist counts. Housing Nova Scotia is committed to helping as many households as possible access safe and affordable homes.

To get this done, Housing Nova Scotia is making strategic investments. In October 2014 Housing Nova Scotia announced a DFC 10-year investment plan. This included investing \$9.4 million to create 300 rent supplement units across the province to help reduce the public housing wait lists. As of March 31, 2016, 333 rent supplement units have been created and by the end of May 2016 the total had reached 373 units. The chart opposite provides a regional breakdown of these new units.

The households housed in the newly funded rent supplement units come directly from housing authority wait lists. In March 2015 there were approximately 4600 eligible households out the wait lists and by April 2016 the number had declined to approximately 4000 households.

¹ Under the 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.

Location of New Rent Supplement Units
(As of May 31, 2016)



Strategic Goal 2 – Safe, affordable homes at every stage of life

- **Per cent of co-operative housing organizations that achieve a ranking of Level I or High Level II based on an annual assessment of their financial, democratic, and physical condition**

What is the measure?

Housing Nova Scotia evaluates the viability and sustainability of the province's cooperative housing organizations using a model it developed to rank cooperatives based on an annual assessment of financial, democratic, and physical conditions.

Since 2008, Housing Nova Scotia has made some modifications to the model and the corporation is more stringent in its application. Ranking provides a standardized method of measuring the specific factors that have been determined to be good indicators of the overall health as a viable organization. It is defined as the overall health of a co-operative housing organization based on a review of various financial statements, building/property reports and governance documents to identify specific factors regarding a co-operative's business practices. These business practices are assessed as a whole to determine the co-operative's ranking on a four point scale ranging from Level I (highest ranking) to PID (project in difficulty).

The measure looks at the per cent of organizations that achieve a ranking of Level I or High Level II – that is – the per cent of cooperatives that are healthy.

Why this measure?

Cooperative housing provides another safe, affordable housing option for low to moderate income households. The housing is owned and managed by the co-operative members. The 68 housing co-operatives in the province fall under the Social Housing Agreement and over time the annual subsidies to these housing providers is declining as their operating agreements mature. Housing Nova Scotia is working with the organizations and the Co-operative Housing Federation of Canada to maintain their long-term financial, physical and governance viability.

The ranking measure is a risk management tool for Housing Nova Scotia. Based on the ranking assessments, available resources can be targeted to improving the position of cooperative organizations.

What we accomplished in 2015-16?

In 2015-16, 52.3% of the co-operative housing organizations in Nova Scotia were ranked at a Level 1 or a High Level II. The ranking surpassed the target of 52% of co-operative organizations achieving Level I or High Level II ranking. This is an increase from the 47% ranking in 2014-15.

To ensure the long-term economic and physical viability of the co-ops, in 2014-15 Housing Nova Scotia announced it would invest \$8 million in Deferred Federal Contribution funds to upgrade the existing co-operative portfolio over the next three years. As of March 31, 2016 we have invested \$3.6 million in 8 projects involving 260 units. We have partnered with the Cooperative Housing Federation of Canada to deliver the funds. Upgrades include necessary structural, electrical, plumbing, and heating repairs.

In the 2015-16 Business Plan, Housing Nova Scotia identified that a strategic action for this measure was to investigate a new ranking model. In this context, the corporation met with representatives of Ontario's Housing Services Corporation (HSC) to explore investing in a new ranking model or making modifications to the existing model in-use in Nova Scotia. HSC focuses on the long-term health and sustainability of Ontario's social housing assets. It provides services to the non-profit housing providers to address their business needs including asset and risk management. In 2016-17 Housing Nova Scotia will investigate the cost-benefits of making changes to its co-operative housing ranking model.

Strategic Goal 3 – More Nova Scotians can become homeowners

■ Number of prospective home ownership participants who complete home ownership classes
In the spring of 2016

■ Number of approved home ownership program applicants

The corporation has a long history of supporting Habitat for Humanity and, in 2015-16, we provided financial assistance to two Habitat for Humanity projects: one in Spryfield and the other in Springhill. We look forward to continuing this relationship in the future in helping more modest households achieve home ownership.

In 2016-17, the corporation plans to explore and look for opportunities to pilot affordable home ownership programs that will target first-time homebuyers similar to programs offered in other jurisdictions. In doing this, Housing Nova Scotia will contribute to the availability of affordable housing options and offer paths to home ownership for Nova Scotians. It will also contribute to the improvement and sustainability of our communities and overall social well-being.

Strategic Goal 4 – More Housing choices for seniors, persons with disabilities, and the homeless

■ Number of households with low-income seniors or persons with disabilities helped by health and safety-related repairs or home adaptations that will enable them to continue to live independently in their own homes and communities.

What is the measure?

This measure looks at the number of approved households for the home repair/adaptation programs

targeted to low income seniors at least 65 years of age; and to persons with disabilities. Funding for these programs comes primarily from the cost-shared IAH Agreement. The total number of households assisted also includes assistance provided under the Access-A-Home Program which is totally funded by the province.

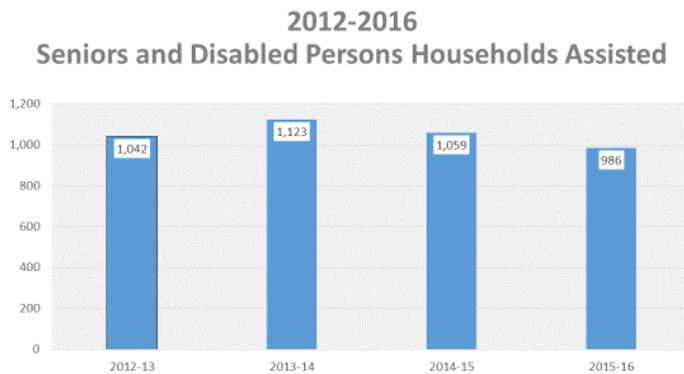
Why this measure?

Helping low-income seniors and persons with disabilities is a key component of our housing programs. They want to stay in their homes and live independently and with dignity in their communities as long as they can. Our home repair/adaptation programs help them to do this by making their homes safer and more livable.

The most common health and safety related home repairs include roofing, plumbing, heating, and electrical repairs while the most frequent adaptations are those that improving access in the home such as installing grab bars in bathrooms and replacing bathtubs with walk-in showers. These adaptations can have a profound impact on improving the quality of life of the homeowners.

What we accomplished in 2015-16?

In 2015-16 Housing Nova Scotia helped 986 seniors and persons with disabilities stay in their own homes.² The target for this measure is to maintain or increase the number of households assisted in 2015-16. 1,059 households were assisted in 2014-15. This is 71 more households than we assisted in 2014-15.



Despite the decline in households assisted, we will continue to deliver these targeted housing repair/adaptation programs. There are, however, challenges in delivering these programs. They include the increase in the costs of material and labour along with the availability of contractors, electricians and plumbers to undertake the repairs. Despite these challenges the depth of our

help increased – that is we did more repairs/adaptation work per household. This is reflected in the average investment in repairs/adaptations per household. In 2014-15 the average was \$5,685 compared to \$6,009 in 2015-16.

■ Number of self-contained dwellings units provided in conjunction with access to ongoing support services

What is the measure?

This measure looks at the assistance provided to organizations that provide emergency shelters to vulnerable low income individuals in the Halifax area. The assistance is in the form of subsidized rent

² These household have not been included in the reporting of Strategic Goal 1’s performance measure – Number of households assisted through major health and safety related repairs and the number of affordable units created.

supplements units allocated to these organizations. These units are provided in conjunction with access to ongoing support services.

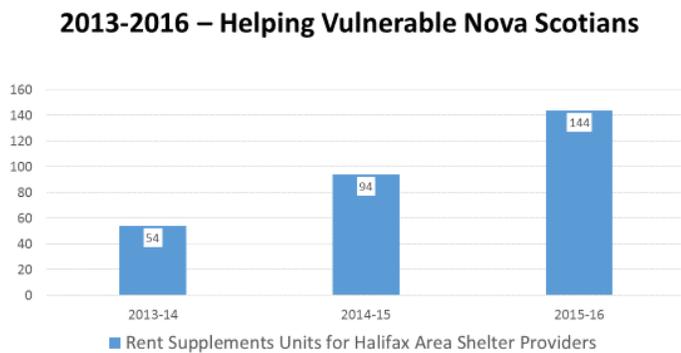
Why this measure?

The focus is on those organizations that transition homeless individuals or those at risk of homelessness to more long-term housing options. Funding for the rent supplement subsidies comes from the cost-shared IAH Agreement. The long term housing and support services provide the foundation to enable the tenants to reconnect with society and rebuild their lives. The tenants pay rent based on their income and Housing Nova Scotia pays the landlord the difference between what the tenant pays and the market rent for the units.

The funding of these units complements Housing Support Worker Program in the Halifax Area. Housing Nova Scotia invests approximately \$450,000 annually in the program which helps transition homeless individuals or individuals at risk of homelessness into stable long term housing options. In 2014-15 the eight funded support workers helped approximately 500 individuals find more permanent housing.

What we accomplished in 2015-16?

In 2015-16 we invested in subsidies for 144 rent supplement units to provide safe affordable housing for individuals moving from emergency shelters to more stable long term housing options. These units are provided in conjunction with access to ongoing support services. The target for the measure was to maintain or increase the number of subsidized rental units and we increased the total number of units funded from 94 to 144 units. See chart below.



The 2015-16 total of 144 units includes part of Housing Nova Scotia’s commitment of rent supplement units to support Halifax Housing and Homeless Partnership’s Halifax First Project – Phase 1.³ In 2015 this project received a funding commitment from the federal government’s Homelessness Partnering Strategy until 2019. It aims at housing 50 – 60 of Halifax’s most chronically and repeatedly homeless

individuals and it is key to achieving the Partnership’s goal to end homelessness in the Halifax Regional Municipality by 2019.

The Halifax Housing First project is targeted at helping chronic and episodic users of emergency shelters transition to more permanent housing. To support the project Housing Nova Scotia agreed to fund subsidies for up to 50 rent supplement units. Since this project’s initiation in January 2016, 13 rent supplement units have been delivered as of March 31, 2016. By the end of May 2016 the number of

³ The Halifax Housing and Homeless Partnership – The partnership was convened in 2014 by the United Way. It includes housing policy makers from the three levels of government, private and non-profit sector. The stated goal of the partnership is to “put an end to homelessness and housing poverty in the Halifax Region”.

units in use was 24. Support services for the Housing First project are provided by the North End Health Clinic through the Mobile Outreach Street Health (MOSH) unit.

The work of many community partners such as the Affordable Housing Association of Nova Scotia, shelter providers, health care providers, municipalities and others have currently managed to stabilize the number of individuals using the emergency shelters in the Halifax area. In 2015 1,508 individuals stayed in emergency shelters compared to 1,497 in 2014. The Halifax First Project should have a very noticeable impact on the numbers in the coming years as it is targeting the chronic and repeat users of the shelters.

Please refer to the table at the end of this report on the 2015-16 Business Plan Performance Measure Changes.

2015-16 Business Plan Performance Measures – Changes		
Performance Measure	Action	Comments
Strategic Goal 1 – Healthy vibrant, diverse communities		
1. Number of households assisted through major health and safety-related repairs, and number of affordable units created	Split into two measures	One measure will look at homes preserved through health and safety related homes repairs; and the other will report on the number of affordable rental units created and preserved.
2. Number of neighbourhood improvement initiatives	Will no longer report	The measure looks at a very small component of Housing Nova Scotia’s business and the measures set out in the corporation’s 2016-17 Business Plan are, more globally client centric in nature. In 2016-17 we will continue to deliver the Neighbourhood Improvement Initiative and as of May 31, 2016 one neighbourhood located in the downtown area of the Town of Amherst has been designated the fourth neighbourhood improvement area.
3. Number of public housing capital investment initiatives	Will no longer report	<p>Housing Nova Scotia will continue to invest the DFC and Capital Replacement funds in upgrading the condition of the public housing portfolio as set out in the 10-year investment plan.</p> <p>The building industry uses several key indices to measure the condition of buildings and to trend expected maintenance and replacement funding required during the life cycle of a building and its major building components.</p> <p>Housing Nova Scotia is in the process of compiling an inventory database of the public housing buildings in order to develop these “facility condition indices.” Given the size of the public housing portfolio, it is estimated that developing the database will take 2 to 3 years. These indices can then be used to better understand the impact of specific funding decisions and monitor the effectiveness of how funding is allocated allowing corrective actions to maintenance and repair programs as required.</p>
Strategic Goal 4 – More Housing choices for seniors, persons with disabilities, and the homeless		
2. Number of self-contained dwellings units provided in conjunction with access to ongoing support services	Will no longer report	We will not be reporting on this measure in our corporate accountability report in future years. We do, however, report on this measure under the terms of the IAH Agreement. The Agreement requires Housing Nova Scotia to annually report to the public on how we invested the IAH funds in the previous year and what has been achieved in meeting the objectives of the IAH Agreement. Copies of these annual reports can be found on the publications page of the corporation’s website.