

CANADA/NEWFOUNDLAND AND LABRADOR AGREEMENT FOR INVESTMENT IN AFFORDABLE
HOUSING 2014-19

Investment in Affordable Housing 2014-19

Public Report on Outcomes, 2014-15



Housing

Investment in Affordable Housing 2014-19

Public Report on Outcomes, 2014-15

Introduction

In 2014, the Governments of Canada and Newfoundland and Labrador signed a five year extension of Federal-Provincial Housing funding under the Investment in Affordable Housing 2014-19 (IAH 14-19). IAH 14-19 provides \$68 million in Federal-Provincial funding to increase the supply of affordable housing in Newfoundland and Labrador, and provide assistance to allow existing homeowners to improve the condition and affordability of their residences. IAH 14-19 came into effect on April 1, 2014. Under the terms of the agreement, Provinces and Territories have agreed to report publicly on how funding has been spent and progress has been achieved in meeting the objectives outlined within the Agreement.

Background

Newfoundland and Labrador Housing Corporation is the province's largest landlord with approximately 5,556 non-profit social housing dwellings province-wide. NL Housing is governed by a Board of Directors representing different geographic regions and special interest groups and reports to the provincial government through the Minister Responsible for the Newfoundland Labrador Housing Corporation. The Chairperson of the Board also serves in a dual capacity as Chief Executive Officer and is responsible for the day-to-day operations of NLHC.

NLHC's head office in St. John's, along with seven regional offices and one sub-office, ensure that all residents of Newfoundland and Labrador have access to the corporation's programs and services.

A Social Housing Plan for Newfoundland and Labrador - *Secure Foundations*, released by the Provincial Government in August 2009, outlines a long-term vision for social housing in the province. It is aimed at improving the housing circumstances of low-income households and helping create healthier communities.

As a significant piece of its program delivery, since 2003 and Phase I of the Affordable Housing Initiative, NL Housing has partnered with the Canada Mortgage and Housing Corporation (CMHC) to reduce housing need in the province. These investments include those made under several phases of the Affordable Housing Initiative, the Provincial Home Repair Program, the 2006 Housing Trusts, and continuing to the present day under the Investment in Affordable Housing. These investments have resulted in over 1,120 new affordable housing units being constructed in the province. The Provincial Home Repair Program has, over the past 35 years, has provided more than \$324 million in loans and grants to approximately 50,000 low-income households throughout the Province.

The Agreement

Under the terms of IAH 2014-19, more than \$68 million is available over a five year period to invest in Affordable Housing in Newfoundland and Labrador. Funds are cost-shared equally between the Federal and Provincial governments.

The agreement's objective is to improve the living conditions of households in need by improving access to Affordable Housing off-reserve that is sound, suitable and sustainable. This objective aligns with the goals and objectives of the Government of Newfoundland's Social Housing Plan, *Secure Foundations*, as well as the Corporation's mandate to provide secure and affordable housing for households with low-to-moderate incomes.

Funding under the agreement is delivered in two distinct streams: the construction of new affordable rental housing in partnership with the private and non-profit sectors under the Affordable Housing Program, and the provision of financial support to homeowners who require upgrades to their residences under the Provincial Home Repair Program.



2014-15 Accomplishments

Overview

In year 1 of the Investment in Affordable Housing 2014-19 (IAH), NL Housing and CMHC invested \$13.5 million into housing programs in Newfoundland and Labrador. This represents 1/5 of the total funding available under IAH and is cost-shared equally by the Federal and Provincial governments.



Under the Affordable Housing Program, CMHC and NL Housing commit funding annually to private and non-profit groups, funding which is distributed over a three-year period through a proposal call. In 2014-15, funding totaling \$9.185 million was allocated to create 203 new affordable rental housing spaces in the province. IAH 14-19 requires Provinces and Territories to make specific allocations of funding to support victims of Family Violence.

An additional 4 new units for victims of family violence are included among the 203 new rentals. Further, funding was also provided through IAH for the conversion of 10 units to affordable rental, at an additional \$1.25 million. This brings the total expenditure on rental housing to \$10.43 million for year 1 of IAH.

Under the Renovation Program funding stream, CMHC and NL Housing committed \$3.065 million in funding to complete renovations for low and moderate income households, seniors, persons with disabilities and not for profit groups. This funding is primarily delivered through the Provincial Home Repair Program (PHRP), which receives provincial funding that exceeds the required cost-matching under the IAH. As of March 31, 2015, the Corporation had approved \$5.25 million in PHRP grants to homeowners with low incomes across the province, serving 1,022 for “Regular Repairs” and 329 for “Emergency Repairs.” The average grant was \$3,892 and repayable loan commitments averaging \$4,019 were provided to 307 clients. The wait list for first time applicants at the end of the quarter was 277 (down from 4,300 in 2007).

Objectives and Indicators

Governments must be accountable to the public for the use of public funds through an open and transparent process which identifies expected outcomes, measures performance, reports on results to the public and provides for follow-up. In this context each government is responsible for reporting annually to the public regarding the investments and achievement of intended outcomes under this Agreement.

Overall Outcome: The parties intend that the overall outcome to be achieved through the carrying out of this Agreement will be to reduce the number of households in need by improving access to Affordable Housing that is sound, suitable and sustainable for households in need.

Indicator(s)

- a. Number of Households no longer in housing need as a result of *Investment in Affordable Housing*.
- b. Number of victims of family violence who were able to leave violent situations as a result of investments under the agreement.

Through investments made under year 1 of IAH 14-19, 1,554 households will see their housing situation improved through access to new affordable rental housing or through home repair projects that will increase the affordability and quality of their homes.

Funding for victims of family violence units in 2014-15 is being utilized to provide an additional 5 units (4 new and 1 renovation). Under AHI 11-14, 28 shelter beds were created in 5 women's shelters across the province through renovation and new construction, the most significant investment being through the addition of 10 beds at the Iris Kirby House in St. John's. It should also be noted that NL Housing's commitment to provide affordable and emergency housing to victims of family violence extends to the Social Housing program, where they receive the highest priority of any applicant seeking subsidized housing.

Outcome: Increase the resources available to address the Housing needs of households in need by encouraging contributions by others, including the private and not-for-profit sectors

Indicator: a. Additional dollars generated through local partnerships toward addressing housing need as a result of the *Investment in Affordable Housing*

NL Housing's Affordable Housing Program, which is funded on a cost-shared basis with CMHC through the IAH 14-19, is designed to encourage private sector investment in affordable housing. Successful private sector proponents receive a one-time limited capital assistance in the form of a forgivable loan in the amount of \$40,000 per rental housing unit (\$55,000 in Labrador). In return, the proponent agrees to provide affordable rental rates for a minimum of 10 years, at or below the maximum rental rate. However, proponents must also make an equity investment of at least 10 percent of the capital development cost of affordable housing units. This equity investment can include such things as cash, the current appraised value of land, or an existing building for conversion to residential use.



While data is not yet available for contributions by others for 2014-15, over the life of the 2011-14 agreement, private sector proponents secured \$2,855,054 in mortgage financing and contributed \$5,531,364 in owners equity.

For most private sector proponents, the cost to construct an affordable housing facility is higher than the capital assistance and the proponent's equity investment. This results in proponents seeking private capital through a financial institution to complete the project, which NL Housing views as a further generation of affordable housing dollars.

NL Housing does not require equity investments by non-profit proponents under the Affordable Housing Program. NL Housing's contribution to non-profit proponents is \$125,000 per unit, which is sufficient to complete construction of the projects without the need for owner equity or mortgage financing.

Outcome: Reduce the demand for services and institutional living by increasing and extending independent living for households in need being seniors and persons with disabilities.

Indicator a. the number of seniors or persons with disabilities who are able to remain living independently.

NL Housing's delivery under IAH is heavily focused on seniors and persons with disabilities. As of March 31, 2015, 203 new rental units have been funded, 77 of which are exclusively for seniors. As well, in 2014-15, 1209 residents over the age of 65 received repair grants, bringing the total number of grants funded through the IAH to 6,448. This brings the total number of seniors served under the IAH to 6,525.

Beginning in 2011, NL Housing made it a requirement that all units constructed under the Affordable Housing Program must incorporate universal design principles, and at least one in every 10 units must be fully accessible. This will allow persons with disabilities who qualify to live in an Affordable Housing Program building to access any unit in the building. Newfoundland and Labrador is the first province to make this a requirement for the construction of affordable housing.

Outcome: Foster training of skilled labour by supporting apprenticeships in the residential housing sector.

Indicator Description of activities / initiatives to promote or support apprenticeships in IAH Projects.

Within the Request for Proposals for new Affordable Housing under IAH 14-19, NLHC has added a requirement for proponents to indicate whether they will be hiring apprentices for their construction activities.

IAH Cumulative Results, 2011-present

Over the first four years of the Investment in Affordable Housing, the Governments of Canada and Newfoundland and Labrador have invested over \$54 million in cost-shared funding to assist households in need of affordable housing. During this period, over 7,400 households have received assistance. This includes the construction of over 450 new affordable rental units, as well as over 6,700 units being renovated to be more suitable, affordable and energy efficient. Under the Victims of Family Violence funding stream, 32 new spaces for victims of family violence have been made available.

Seniors have also benefitted greatly over the past 4 years, as 6,525 seniors have seen their housing situation improved through either new construction (77 units) or repair (6,448 seniors provided with grants).

2014-15 Outcomes, Indicators and Results

Outcomes	Indicators	Results
<i>The parties intend that the overall outcome to be achieved through the carrying out of this Agreement will be to reduce the number of households in need by improving access to Affordable Housing that is sound, suitable and sustainable for households in need.</i>	Number of Households no longer in housing need as a result of Investment in Affordable Housing.	1554 households receiving assistance through the IAH in 2014-15. This includes 203 new rental housing spaces and 1351 repair projects.
	Number of victims of family violence who were able to leave violent situations as a result of investments under the agreement.	Funding allocated in 2014-15 for the creation of 4 units specifically to house victims of family violence. NL Housing considers victims of family violence to be the #1 priority under its Social Housing program.
<i>Increase the resources available to address the Housing needs of households in need by encouraging contributions by others, including the private and not-for-profit sectors</i>	Additional dollars generated through local partnerships toward addressing housing need as a result of the Investment in Affordable Housing	Data is not yet available to determine the amount of owner equity or mortgage financing that will be available as a result of IAH 14-19. From 2011-14, \$5,531,364 in owner equity and \$2,855,084 in mortgage financing have been committed for new affordable housing.
<i>Reduce the demand for services and institutional living by increasing and extending independent living for households in need being seniors and persons with disabilities</i>	The number of seniors or persons with disabilities who are able to remain living independently.	1,209 seniors received repair grants. NLHC makes visitable design features a required element of all new construction. Cumulatively, since 2011 6,525 seniors have seen improvements to their housing situation that will enable independent living through the IAH
<i>Foster training of skilled labour by supporting apprenticeships in the residential housing sector.</i>	Description of activities / initiatives to promote or support apprenticeships in IAH Projects.	NLHC has added a requirement for proponents to indicate whether they will be hiring apprentices for their construction activities.

