

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

# Investment in Affordable Housing 2014-19

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Public Report on Outcomes, 2015-16



Housing



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## Public Report on Outcomes, 2015-16

### 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, provide assistance to allow existing homeowners to improve the condition and affordability of their residences, and complete repairs on NLHC-operated social housing. 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.

## 2015-16 Accomplishments

### Overview

In year 2 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.

2015-16 funding under the IAH was primarily invested in two programs. 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 2015-16, funding totaling \$12.735 million was allocated to create 177 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. Included among these 177 units are 4 new units for victims of family violence constructed at Libra House in Happy Valley-Goose Bay, as well as funding provided to Violence Prevention South and Central of Grand Falls-Windsor. \$110,000 in additional funding was also allocated to convert existing facilities in Happy Valley-Goose Bay for use as emergency rental housing. Further, an additional \$186,000 in 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 \$13.031 million for year 1 of IAH.

2015-16 IAH funding was also utilized to complete needed repairs to existing social housing within NLHC's portfolio. A total of \$474,000 in Federal-Provincial funding was utilized to make required renovations to 22 social housing units in communities from Gander to Cartwright. These investments will help to ensure that these social housing units can remain as an affordable housing option for residents who require rental support. Beyond repairs funded through IAH, NLHC made significant progress towards achieving the goal of improving the social housing portfolio. As of March 31, 2016, 468 units have been upgraded in some way. Upgrades may include the replacement of windows, doors, siding, and electrical systems as well as the updating of kitchens, bathrooms and flooring

To support affordable homeownership, CMHC and NLHC invested a total of \$150,000 to support the construction of two Habitat for Humanity projects in Labrador. Along with

NLHC's announcement during this year of a two-year pilot to support affordable homeownership for residents, this marks a new chapter in efforts to provide housing assistance at various points along the housing continuum.

Though not represented within the claims made in 2015-16, renovation of private households remains an important component of NLHC and CMHC's efforts under the IAH. In 2015-16, 1,153 households received regular Provincial Home Repair Program grants totaling \$5,398,617 and 436 households received emergency PHRP grants totaling \$1,648,165. These grants allow homeowners to complete essential repairs and modifications and thereby remain in their own homes and communities. The average PHRP recipient is 68 years old and is a rural resident. 365 households received Home Modification Program grants, totaling \$2,398,097, thus allowing them to make accessibility improvements to their homes. The average HMP client is approximately 70 years old and has an income of approximately \$14,288.

### 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 2 of IAH 14-19, 202 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 2015-16 was utilized to provide an additional 4 units at Libra House in Happy Valley-Goose Bay. 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 homes constructed under IAH 2014-19,, 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. The 177 new rental units funded in 2015-16 are almost exclusively for the use of seniors and other vulnerable populations. As well, in 2015-16, 1,810 residents over the age of 65 received assistance through either the Provincial Home Repair Program or the Home Modification program.

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 five 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 9,300 households have received assistance. This includes funding for the construction of over 650 new affordable rental units, as well as over 8,600 units being renovated to be more suitable, affordable and energy efficient, and 10 affordable homeownership projects through Habitat for Humanity. In addition to being the primary beneficiaries of new affordable housing construction, over 8,200 seniors have received assistance through the Provincial Home Repair Program over the life of the Investment in Affordable Housing. Under the Victims of Family Violence funding stream, 36 new spaces for victims of family violence have been made available.

## 2015-16 Outcomes and Indicators

<u>Outcome</u>	<u>Indicator</u>	<u>Results</u>
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.	Number of Households no longer in housing need as a result of Investment in Affordable Housing.	202 households have been funded for new construction or repair. 1964 households received grants through the Provincial Home Repair and Home Modification programs.
Number of victims of family violence who were able to leave violent situations as a result of investments under the agreement.	Funding allocated in 2015-16 for the creation of 4 units specifically to house victims of family violence in Happy Valley Goose Bay	NL Housing considers victims of family violence to be the #1 priority under its Social Housing program.
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	Additional dollars generated through local partnerships toward addressing housing need as a result of the Investment in Affordable Housing	Data to be captured following completion of IAH Projects. From 2011-14, \$5,531,364 in owner equity and \$2,855,084 in mortgage financing have been committed for new affordable housing.
Reduce the demand for services and institutional living by increasing and extending independent living for households in need being seniors and persons with disabilities	The number of seniors or persons with disabilities who are able to remain living independently.	1,810 seniors received repair grants. NLHC makes visitable design features a required element of all new construction. Over 8,200 seniors have received assistance since 2011.
Foster training of skilled labour by supporting apprenticeships in the residential housing sector.	Description of activities/initiatives to promote or support IAH apprenticeships.	NLHC has added a requirement for proponents to indicate whether they will be hiring apprentices for their construction activities.

