

**Newfoundland and Labrador
Housing Corporation**

**Strategic Plan
2006-2008**

Chair's Message

Housing impacts all citizens of the province. There are many benefits that occur among individuals and families who live in appropriate housing. Research links good housing with educational achievement, a positive determinant of health, self sufficiency and personal development. Housing is also important from a public policy perspective. Access to affordable and suitable housing is vital for our most vulnerable citizens; especially those with health and social concerns.

Newfoundland and Labrador Housing Corporation (NLHC) works in partnership with communities, the private sector and other government departments and agencies to identify changing housing needs across the province. As NLHC attempts to respond to the housing needs which have been identified, it must be recognized that the Corporation is experiencing tremendous cost pressures with the aging of the public housing portfolio and declining federal resources. We recognize that the historical models of funding are not sustainable in the long term. Our biggest challenges are to find new ways of assisting families and individuals in the greatest need and to regenerate the existing public housing stock to meet the needs of the applicants on our waiting lists.

In accordance with the *Transparency and Accountability Act*, the Strategic Plan 2006-2008 was developed by the Corporation's Board of Directors, who are accountable for achieving the specific goals and objectives of the plan. The *Transparency and Accountability Act* requires that each government entity be categorized into one of three categories by the Lieutenant-Governor in Council. Newfoundland and Labrador Housing Corporation has been assigned to Category 1. As a Category 1, NLHC is expected to plan and report outcomes. The *Transparency and Accountability Act* also requires that government entities take into account the strategic directions of government in the preparation of their performance-based plans. Please refer to Appendix A for further information regarding strategic directions. The plan identifies the strategic issues facing the organization for the next two years and sets out the goals and objectives established by the Board of Directors to address these issues. I am confident of the continuing commitment of all of our staff within Newfoundland and Labrador Housing Corporation to work together to meet these challenges.

Len Simms
Chair of the Board of Directors
Chief Executive Officer

June 23, 2006

Plan at a Glance

Vision

The vision of Newfoundland and Labrador Housing Corporation is of safe and affordable housing for all residents of the province.

Mission

By 2011, the Newfoundland and Labrador Housing Corporation will have improved the housing circumstances of low and moderate income households to address housing needs within the province of Newfoundland and Labrador.

Goal One: By 2008, the Newfoundland and Labrador Housing Corporation will have increased the number of available units for non-elderly single, elderly, and disabled clients.

Objectives

1. By 2007, the Newfoundland and Labrador Housing Corporation will have increased the number of units available for elderly and disabled clients through the Affordable Housing Program.
2. By 2008, the Newfoundland and Labrador Housing Corporation will have increased the number of units available for non-elderly single clients.

Goal Two: By 2008, the Newfoundland and Labrador Housing Corporation will have presented to the provincial government, a board-approved long-term budgetary plan to address declining revenues and changing demand.

Objectives

1. By 2007, the Newfoundland and Labrador Housing Corporation will have undertaken a study which analyzes declining revenues and changing demand.
2. By 2008, the Newfoundland and Labrador Housing Corporation will have presented to the provincial government, a board-approved long-term budgetary plan to address declining revenues and changing demand.

Goal Three: By 2008, the Newfoundland and Labrador Housing Corporation will have developed an energy efficiency retrofit plan for certain NLHC owned properties.

Objectives

1. By 2007, the Newfoundland and Labrador Housing Corporation will have completed an energy efficiency study for certain NLHC owned properties and will have designed a pilot project on heating system conversion for that property.

2. By 2008, the Newfoundland and Labrador Housing Corporation will have developed an energy management plan for renovation activity on NLHC owned property.

Goal Four: By 2008, the Newfoundland and Labrador Housing Corporation will have completed the condition reports of all public housing units

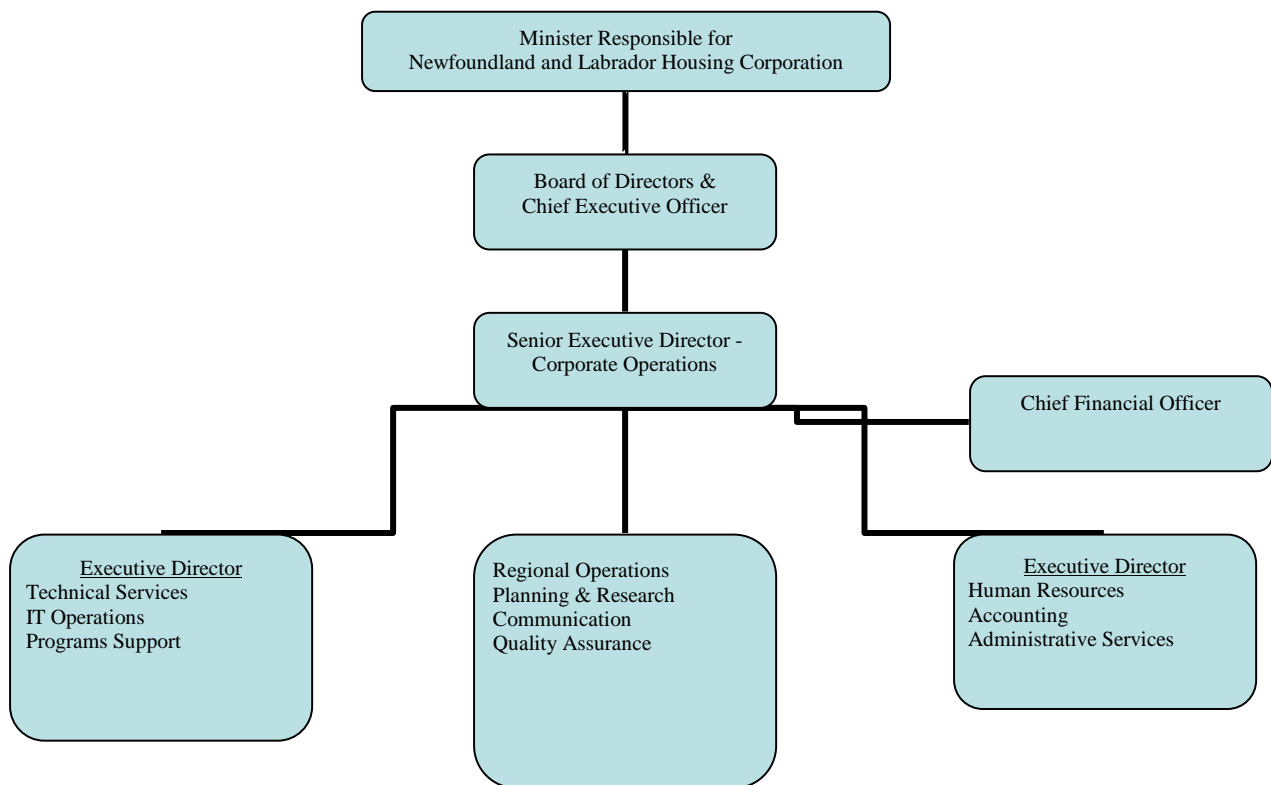
Objectives

1. By 2007, the Newfoundland and Labrador Housing Corporation will have completed condition reports for 85% of all public housing units and completed renovations on 400 units.
2. By 2008, the Newfoundland and Labrador Housing Corporation will have completed condition reports for 100% of public housing units and completed renovations on an additional 400 units.

Overview

The Newfoundland and Labrador Housing Corporation (NLHC) is a provincial crown corporation which operates under the authority of the *Housing Corporation Act*. NLHC is responsible for implementing all public housing policies and programs within Newfoundland and Labrador. The Corporation is governed by a board of directors appointed by the Lieutenant-Governor in Council and reports to the Government of Newfoundland and Labrador through the Minister of Human Resources, Labour and Employment, Minister Responsible for Newfoundland and Labrador Housing.

NLHC's current organization structure is as follows:



The Corporation's policies and programs are delivered in five regions:

- Avalon
- Burin Peninsula
- Central
- Western
- Labrador

The head office is located in St. John's. NLHC has a staff complement of 307 full-time positions and 67 seasonal workers. Approximately 64% of NLHC full-time employees are male and 36% are female. The budget for NLHC in 2006/2007 is \$98 million. The Corporation assists approximately 14,300 low-income households each year as follows:

Program	Number of Households
Public Rental Housing	5,700
Rent Supplement	1,000
Home Repair Assistance	2,000
Subsidized Mortgages	800
Non-Profit and Co-operative Housing	4,800

While provincial governments have constitutional responsibility for housing, the federal government, through Canada Mortgage and Housing Corporation (CMHC) subsidizes social housing under a variety of housing programs. In Newfoundland and Labrador, social housing is governed by the following agreements:

Agreement	Year
Canada-Newfoundland Social Housing Agreement	1997
CMHC-Newfoundland and Labrador Housing Renovation Program Agreement	2003
Canada-Newfoundland and Labrador Affordable Housing Agreement Phase I	2003
Canada-Newfoundland and Labrador Affordable Housing Agreement Phase II	2005

The total federal program funding allocated under these agreements for 2006/2007 is \$62.1 million:

Agreement	Funding
Social Housing Agreement	\$53.1 million
Housing Renovation Program Agreement	\$4.3 million
Affordable Housing Agreement	\$4.7 million

The provincial funding for 2006/2007 is \$15.1 million with a total rental revenue of \$20 million.

Mandate

Newfoundland and Labrador Housing Corporation is a crown corporation whose mandate is to develop and administer housing assistance programs for the benefit of low to moderate income households throughout the province.

Lines of Business

The lines of business provided by the Newfoundland and Labrador Housing Corporation are:

1. SOCIAL HOUSING

The purpose of the Social Housing business line is to provide subsidized rental accommodation for those who meet specified criteria. Social Housing assistance is subject to the number of available units funded in either the public housing or private rental stock.

2. HOUSING SUPPLY ASSISTANCE

The purpose of the Housing Supply Assistance business line is to provide forgivable loans, in accordance with the following criteria:

- to property owners for critical repairs or modifications to residential dwellings; and,
- to public, private and non-profit organizations to stimulate the development of new affordable rental housing stock for low to moderate income households as determined by NLHC.

3. COMMUNITY-BASED HOUSING

The purpose of the Community-Based Housing business line is to provide financial, technical, and/or administrative support to non-profit, co-operative and health sector housing providers who meet specified criteria. These projects receive subsidies under various types of funding and/or operating agreements.

4. REAL PROPERTY STEWARDSHIP

The purpose of the Real Property Stewardship business line is to develop and/or divest of corporate land and property holdings. This business line also encompasses management of financial interests in lands divested to municipalities, and properties financed by NLHC and operated by government departments and boards.

Values

The values of an organization refer to the fundamental principles that guide the decision making and the behaviour of the people within that organization. The following core values have been chosen to explain the character of this organization:

Core Values
Accountability
Communication
Leadership
Quality
Respect
Teamwork

The strategic values are the action statements that indicate how our core values are to become a way of work within NLHC. The actions which have been selected for the next two years are as follows:

Strategic Values

Accountability:	Each person answers for the obligations of his/her job assignment.
Communication:	Each person shares ideas in an open and receptive environment.
Leadership:	Each person motivates others to perform to their maximum potential.
Quality:	Each person's response is directed to serving all clients, especially those with the greatest need.
Respect:	Each person openly welcomes another's culture, race, religion, creed, personal individuality, and opinions.
Teamwork:	Each person identifies opportunities for working with others, internal and external to the organization, to achieve common goals.

Primary Clients

The primary clients of the Newfoundland and Labrador Housing Corporation include: tenants; provincial government departments; federal government; homeowners; landlords in the private market sector; developers/housing operators; municipalities; and advocacy groups.

Vision

The vision of Newfoundland and Labrador Housing Corporation is of safe and affordable housing for all residents of the province.

Mission

The mission statement identifies the priority focus area of the Board of Directors over the next two planning cycles (2006-2008 and 2009-2011). It represents the key longer term result that the Board and the Corporation will work towards as they move forward on the strategic directions of Government. The statement also identifies the measure(s) and indicator(s) that will assist both the Corporation and the public in monitoring and evaluating success.

Dramatic demographic and housing market shifts over the past decade or more have resulted in changing housing needs throughout the province. NLHC uses the definition of core housing need, a national standard, to identify families and individuals who require housing assistance. Households are considered to be in need if they occupy dwellings that fall below adequacy, suitability and affordability standards. Affordability is determined in relation to the median rent within the local market. Households spending more than 30% of their gross income to pay that median rent are considered to have an affordability problem. Accordingly, the mission statement and the reference to improved housing circumstances refers to a corresponding decrease in the number of low and moderate income individuals and families requiring housing assistance. In keeping with the *Transparency and Accountability Act*, the mission statement is time limited to encompass two planning cycles.

Mission:

By 2011, the Newfoundland and Labrador Housing Corporation will have improved the housing circumstances of low and moderate income households to address housing needs within the province of Newfoundland and Labrador.

Measure 1: Housing circumstances improved

Indicators: Number of households approved for subsidized rental housing
Number of households assisted through home repair programs
Number of new affordable housing units created
Number of households approved for community-based housing
Number of units renovated under modernization and improvement budget
Number of units made accessible
Number of senior households accommodated
Number of working households accommodated
Number of HRLE clients accommodated
Completion of an energy efficiency retrofit plan

Measure 2: Housing needs are addressed

Indicators: Number of households assisted by depth and nature of need in the following areas:

- non-elderly single households
- single households
- core accessible units
- supportive housing units
- clients accommodated from transition houses
- family household compositions

Note: All Indicators will be reported annually

Strategic Issues

In consideration of Government's strategic directions and the mandate and financial resources of the Corporation, the following areas have been identified as the key priorities of the Board of Directors for the next two years. The goals identified for each issue reflect the results expected in the two year time frame while the objectives provide an annual focus. Measures and indicators are provided for both the goal and the first year's objective to assist both the Corporation and the public in monitoring and evaluating success.

Issue One: New demand – single, elderly, disabled

The majority of NLHC's housing stock was constructed more than twenty years ago and designed for larger families. Almost 80% of the Corporation's rental portfolio contains three or more bedrooms. Almost 85% of all applicants for public housing are single parents, single individuals (non-seniors) and seniors (singles and couples) who require one or two bedroom units. Provincial statistics indicate that 93% of single-parent families are women and 72% of one-person occupants are women.

Federal funding for new construction has not been available to the province since 1994. In that year, 12 units were built in St. Anthony; mainly for seniors. New public housing has not been constructed in the St. John's area since 1990. In 1990, 20 infill units were constructed in the downtown area and 14 units were built in Conception Bay South for families.

In May of 2003, new federal and provincial funding became available under the Affordable Housing Program. Phase I of this agreement provides \$15 million in federal funding. In November of 2005, Phase II of the Affordable Housing Program was signed. The Phase II agreement matches \$5 million in federal funding with \$5 million in provincial funding. The Affordable Housing Program offers the greatest opportunity for NLHC to increase the number of available units for specific target groups by working with the private sector and community-based groups. Under the Affordable Housing Program some of the available funding will be redirected, on a pilot project basis, to regenerate a limited number of public housing units to meet the needs of smaller families. These public housing units will be selected from the units no longer funded by CMHC.

Goal One: By 2008, the Newfoundland and Labrador Housing Corporation will have increased the number of available units for non-elderly single, elderly, and disabled clients.

- Measure:** Increased number of units for specific target groups
- Indicators:** Number of units available for non-elderly single clients
Number of units available for disabled clients
Number of units available for elderly clients
Number of new units constructed/converted under the
Affordable Housing Program

Objectives

1. By 2007, the Newfoundland and Labrador Housing Corporation will have increased the number of units available for elderly and disabled clients through the Affordable Housing Program.

- Measure:** Increased number of units
- Indicators:** Number of units available for disabled clients
Number of units available for elderly clients

2. By 2008, the Newfoundland and Labrador Housing Corporation will have increased the number of units available for non-elderly single clients.

Issue Two: Financial Sustainability

In 1997, the province signed the Canada-Newfoundland Social Housing Agreement which transferred the responsibility of the management and administration of the social housing programs to the province. This agreement specified how much federal funding would decrease each year until the year 2038; the last year for federal funding for social housing. Originally, federal funding was designed to support the operation and maintenance of social housing units by cost sharing the operating losses of social housing. The losses for social housing were calculated based upon two considerations: 1) specific funding for mortgage repayment and 2) the availability of rent-geared-to-income rental charges for tenants.

At the present time, CMHC's contributes 66% of NLHC's annual budget. The rental payments account for 21% of the annual budget and the sustaining grant from the provincial government represents the other 13%. The withdrawal of the federal funding will threaten the future viability of the social housing for low income households whose rental payment will always be less than the cost of operating these units. In addition, there are two other financial pressures that must be addressed and they represent the remaining two issues defined in this Strategic Plan; the heat subsidy program and the need to improve the condition of the aging public housing stock. Issue Two, financial sustainability, was selected as a means to comprehensively address all elements in the development of a long-range plan to address the future financial viability of NLHC.

Goal Two: By 2008, the Newfoundland and Labrador Housing Corporation will have presented to the provincial government, a board-approved long-term budgetary plan to address declining revenues and changing demand.

Measure 1: Plan developed

Indicators: Study completed on changing demand and resulting effects on general revenues

Document developed

Approval by board

Approval by relevant government departments

Measure 2: Declining revenues and changing demand is addressed

Indicators: Plan is developed which includes specific recommendations/processes related to declining revenues and addressing changing demand

Objectives

1. By 2007, the Newfoundland and Labrador Housing Corporation will have undertaken a study which analyzes declining revenues and changing demand.

Measure: Study completed

Indicators: Establish type and cost of programs
Develop revenue options and preferred choices

2. By 2008, the Newfoundland and Labrador Housing Corporation will have presented to the provincial government, a board-approved long-term budgetary plan to address declining revenues and changing demand.

Issue Three: Improving Energy Efficiency in Public Housing

The Corporation spends approximately 10% of its annual current account budget on the cost of energy. Although this funding has remained the same for the last ten years, high world oil prices have resulted in escalating costs for both oil and electricity. NLHC operates a heat subsidy program whereby tenants receive a heat subsidy based upon the location and size of their unit. This funding is capped. The heating subsidy provides direct financial assistance to tenants to comfortably heat their homes and serves to protect the housing stock by providing heat to control the build up of moisture. The cost increases for energy have created significant pressure on the Corporation to stay within overall budget levels. Many public housing units were constructed before high energy costs were ever a consideration. There are a significant number of units heated by large systems that provide heat to multiple units from a single heat source. These large heating systems have exceeded their useful life. An energy management plan is required to address the replacement options for the large heating systems, to evaluate opportunities for energy efficiency in the older housing stock and to cost effectively manage heat subsidy arrangements for existing tenants.

Goal Three: By 2008, the Newfoundland and Labrador Housing Corporation will have developed an energy efficiency retrofit plan for certain NLHC owned properties.

Measure: Plan developed

Indicators: Pilot project completed
Energy management plan completed
Government directions on heat subsidy incorporated

Objectives

1. By 2007, the Newfoundland and Labrador Housing Corporation will have completed an energy efficiency study for certain NLHC owned properties and will have designed a pilot project on heating system conversion for that property.

Measure 1: Energy management plan completed

Indicators: Report completed
Executive Committee approved

Measure 2: Pilot project designed

Indicators: Contract awarded
Design drawings completed
Tender issued

2. By 2008, the Newfoundland and Labrador Housing Corporation will have developed an energy management plan for renovation activity on NLHC owned property.

Issue Four: Renovations/retrofits

An integral part of capital management is the development of a property plan which addresses 1) regular maintenance and 2) modernization and replacement requirements. Although the first public housing unit was built more than forty years ago, the majority of the units were constructed in the 1970s and 1980s; 75% were built more than 20 years ago. In recognition of the aging public housing stock, an in-house analysis of the existing housing portfolio was completed on a small sample of projects in 2001. This report concluded that \$11 million would be required annually to keep up with the deterioration. The current \$5 million annual modernization and improvement budget has remained unchanged for more than ten years and continues to be allocated on a critical need basis. Due to deferred maintenance and modernization, there are a number of projects within the public housing portfolio that will require considerable renovations in order to extend their useful life. A broad based assessment of the condition of the portfolio will identify a number of long-term options for the revitalization of the existing public housing stock.

Goal Four: By 2008, the Newfoundland and Labrador Housing Corporation will have completed condition reports of all public housing units.

Measure 1: Conditions of public housing units are stabilized

Indicators: Number of units renovated

Percentage of annual renovation budget allocated/expended by category

Objectives

1. By 2007, the Newfoundland and Labrador Housing Corporation will have completed condition reports for 85% of all public housing units and completed renovations on 400 units.

Measure 1: Condition Reports Completed

Indicators: % of portfolio completed

Measure 2: Public housing units renovated

Indicators: # of units renovated

2. By 2008, the Newfoundland and Labrador Housing Corporation will have completed condition reports for 100% of public housing units and completed renovations on an additional 400 units

Appendix A

Strategic Directions

Strategic directions are clear statements of the desired physical, social or economic outcomes and normally require action by more than one government entity. These directions are generally communicated by Government through Throne and Budget Speeches, policy documents, and other communiqués. The *Transparency and Accountability Act* requires departments and public bodies to consider these strategic directions in the preparation of their performance-based plans. This action will facilitate the integration of planning practices across Government and will ensure that all entities are moving forward together on key commitments.

The directions related to Newfoundland and Labrador Housing Corporation are provided below. Both strategic directions contain a number of components that will be addressed through this strategic plan, operational plans and/or work plans.

Title: **Housing**
 Outcome: Sustainable social housing for households with the greatest need.
 Areas of Focus: Systemic intervention in the areas of:

Components of Strategic Direction	Applicable to Other Entities Reporting to the Minister	This Direction is addressed:		
		in NLHC's strategic plan	in NLHC's operational plan	in NLHC's regional/divisional work plans
Heat subsidy for social housing			X	
Long-term financial sustainability of social housing		X		

Title: **Poverty**
 Outcome: Reduced poverty and alleviation of its negative effects.
 Areas of focus: A comprehensive, integrated approach in the following areas:

Components of Strategic Direction	Applicable to Other Entities Reporting to the Minister	This Direction is addressed:		
		in NLHC's strategic plan	in NLHC's operational plan	in NLHC's regional/divisional work plans
Social and financial supports	X			
Labour market attachment	X			
Gender equity	X			
Social housing			X	