

Investment in Affordable Housing 2014-19

Public Report on Outcomes, 2016-18



Housing

Investment in Affordable Housing 2014-19

Public Report on Outcomes, 2016-18

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.

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.

The 2016-18 period also included additional investments in housing in Newfoundland and Labrador through the Social Infrastructure Fund. Federal Budget 2016-17 facilitated an additional \$ almost \$49 million in federal and provincial funding under the SIF intended to preserve the existing social housing stock, improve and increase the supply of affordable housing and support economic growth.

2016-18 Accomplishments

Overview

In years 3 and 4 of the Investment in Affordable Housing 2014-19 (IAH), NL Housing and CMHC allocated \$27,240,000 to housing programs in Newfoundland and Labrador. This represents 2/5 of the total funding available under IAH and is cost-shared equally by the Federal and Provincial governments. An additional \$48.9 million was allocated through the Social Infrastructure fund, bringing the total allocation for the two year period to in excess of \$76 million.

2016-18 funding under the IAH and SIF was invested in a range of programming. Under the Affordable Housing Program, CMHC and NL Housing commit funding annually to private and non-profit groups for the construction of new rental housing, funding which is distributed over a three-year period through a proposal call. During the 2016-18 period, funding to create an additional 136 new affordable rental housing spaces was committed by the province, with the bulk of these units (120) funded through the Social Infrastructure Fund. In addition to the 136 new builds, Social Infrastructure funding will also support 29 new rental supplements within the private sector to help NLHC utilize vacant private market rental housing as rent-geared-to-income social housing.

IAH 14-19 specifically targets victims of Family Violence. Included among these 136 new units are 16 new units for victims of family violence to be constructed in Corner Brook. Additional funding was also provided to complete renovations on existing units that target victims of violence, and between the IAH and SIF just over \$2 million was committed to address housing need among victims of violence. .

Home repair programs continue to be the primary means by which housing need is addressed in many rural and remote communities, and are of particular benefit to seniors who make up the vast majority of program recipients. Over the two year period close to 4,000 households received structural and related component repairs, while also addressing accessibility requirements for seniors and persons with disabilities thereby enabling individuals and families to exercise choice and self-determination and remain in their own homes. The average client of these programs is approximately 70 years old and has an income of approximately \$14,288.

Existing social housing units in the Province benefitted greatly from targeted funding under SIF for social housing renovation and retrofit. In total, over the two year period almost

2,700 repair or renovation projects were completed within the social housing stock, helping to maintain these units as viable social housing into the future.

The influx of new money through the Social Infrastructure Fund enabled Newfoundland and Labrador to address some other housing priorities during this period. To bring units up to a better health and safety standard, in addition to other health and safety repairs over 5,200 units received new smoke detectors. Bringing them up to new provincial fire regulations.

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 years 3 and 4 of IAH 14-19, as well as through the Social Infrastructure Fund, over 7,000 households will see their housing situation improved through access to new affordable rental housing, repairs to the existing social housing stock, or through home repair projects that will increase the affordability and quality of their homes.

Funding for victims of family violence totaling over \$2 million was utilized to fund the construction of an additional 16 units in Corner Brook while also supporting repairs to benefit 35 other units that serve victims of violence. 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 136 new rental units funded from 2016-18 are in large part for the use of seniors and other vulnerable populations. As well, in 2015-16, just over 70% of all households who received assistance through either the Provincial Home Repair Program or the Home Modification program were maintained by a primary homeowner over the age of 65.

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 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 7 years of the Investment in Affordable Housing, the Governments of Canada and Newfoundland and Labrador have invested over \$81 million in cost-shared funding to assist households in need of affordable housing. During this period, over 12,700 households have received assistance. This includes funding for the construction of over 700 new affordable rental units, as well as over 12,000 units being renovated to be more suitable, affordable and energy efficient. In addition to being the primary beneficiaries of new affordable housing construction, over 10,000 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, funding has enabled the repair or creation of 87 spaces for victims of family violence.

2016-18 Outcomes and Indicators

<u>Outcome</u>	<u>Indicator</u>	<u>Results</u>
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.	136 new households funded for new construction or repair. Over 4,000 households received grants through the Provincial Home Repair and Home Modification programs.
Increase the number of housing supports provided to victims of family violence to enable them to leave violent situations.	Number of victims of family violence who were able to leave violent situations as a result of investments under the agreement.	Funding for victims of family violence totaling over \$2 million was utilized to fund the construction of an additional 16 units in Corner Brook while also supporting repairs to benefit 35 other units that serve victims of violence.
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.	Close to 4,000 households received structural and related component repairs. Average client is approximately 70 years old and has an income of approximately \$14,288.. Over 12,000 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.

<p>Reduce the number of households in need by improving access to Affordable Housing that is sound, suitable and sustainable for households in need.</p>	<p>Number of households no longer in housing need as a result of Program H-1: Seniors New Construction and Renovation.</p> <p>Number of households no longer in housing need as a result of Program H-2: Victims of Family Violence New Construction and Renovation</p> <p>Number of households no longer in housing need as a result of Program H-3: Renovation and Retrofit of Social Housing.</p>	<p>Over 3200 households saw their housing need reduced through investments in housing as a result of the 2016-2018 Special SIF Funding under the Investment in Affordable Housing (IAH). This includes households served within the following SIF programs:</p> <p>430 households served as a result of Program H-1: Seniors New Construction and Renovation.</p> <p>17households no longer in housing need as a result of Program H-2: Victims of Family Violence New Construction and Renovation.</p> <p>2800 households receiving repairs as a result of Program H-3: Renovation and Retrofit of Social Housing.</p>
--	--	---

