

**CMHC – NEWFOUNDLAND AND LABRADOR
BILATERAL AGREEMENT UNDER THE 2017 NATIONAL HOUSING STRATEGY
3 YEAR PROVINCIAL HOUSING AND HOMELESSNESS ACTION PLAN**

Introduction

In accordance with Schedule C of the *2018-2028 CMHC-Newfoundland and Labrador Bilateral Agreement under the National Housing Strategy* (the “Agreement”), Newfoundland and Labrador has developed its first three-year Action Plan that commences in Fiscal Year 2019/2020. The Action Plan outlines how Newfoundland and Labrador will use Canada Mortgage and Housing Corporation’s (“CMHC”) funding and provincial cost-matched funding under the Agreement towards achieving targeted results.

CMHC and Newfoundland and Labrador have reached agreement on the NHS-related Targets and Outcomes identified in the Action Plan. These agreed-to Targets and Outcomes are built on existing investments, and take into consideration factors including; local housing need and priorities, as well as the National Housing Strategy (NHS) objectives, including opportunities for collaboration, efficiency and innovation. Newfoundland and Labrador’s three year Action Plan aligns with the principles of *Federal/Provincial/Territorial (FPT) Housing Partnership Framework* endorsed by Ministers (except Quebec) in April of 2018.

This Action Plan provides actions, targets and outcomes to utilize \$68,841,600 in Federal and Provincial housing funding over fiscal years 2019-2022. This funding is provided through the Canada-Newfoundland and Labrador Bi-Lateral Agreement under the 2017 National Housing Strategy. CMHC funding and cost-matched funding under this Agreement will be utilized towards achieving outcomes and set targets for indicators and expected results. These include Provincial contributions towards Federally-established NHS targets as well as other provincial priorities. The National Housing Strategy’s primary targets are the 100% preservation of social housing units under the Social Housing Agreement as of March 31, 2019 (“baseline units”), repairs to 20% of baseline units, and social housing expansion equalling 15% of the baseline unit total.

Newfoundland and Labrador’s first Action Plan contemplates the Initiatives identified in Schedule B of the Agreement (the Newfoundland and Labrador Priorities Housing Initiative and the Canada Community Housing Initiative) and will be revised over the duration of the Agreement (2018/19 – 2027/28) every three years in accordance with the schedule below:

Action Plan Date	Period Covered
Fiscal Year 2019/20	Fiscal Years 2019/20¹ – 2021/22
Fiscal Year 2022/23	Fiscal Years 2022/23 – 2024/25
Fiscal Year 2025/26	Fiscal Years 2025/26 – 2027/28

¹ Includes Cost-Matched Funding from Fiscal Year 2018/19

Local Housing Context and Priorities

Safe, stable and affordable housing is fundamental to the social and economic well-being of individuals, families and our communities. Over the next three years, the Province of Newfoundland and Labrador will strive to improve housing outcomes and ensure the Government of Newfoundland and Labrador is more responsive to the diverse and changing needs of our residents.

To be responsive and reflective of the unique housing context in Newfoundland and Labrador this plan requires consideration of the entire housing continuum. Initiatives in this plan span the range of housing options available to low and moderate income households, extending from emergency accommodations through to homeownership.

The Action Plan mirrors the three focus areas of the Provincial Housing and Homelessness plan scheduled for release in 2019. These focus areas are reflective of NHS principles and work to address housing need at all stages on the housing continuum:

Focus Area 1: Preventing and Ending Homelessness

Focus Area 2: Reducing Core Housing Need

Focus Area 3: Addressing Housing Affordability

Housing programs and services are most effective when they facilitate forward movement along the housing continuum, while recognizing that the appropriate housing option for each household is influenced by geographic, economic and social factors, with more extensive supports required for individuals with more complex needs to remain housed.

The Action Plan is consistent with the overarching principles and targets set forth in the National Housing Strategy and the Canada-Newfoundland and Labrador bilateral agreement with respect to preservation, expansion and repair targets and initiatives to address core housing need and direct affordability benefits.

The Housing Continuum in Newfoundland and Labrador

On June 11, 2018, responsibility for coordinating access to emergency shelter accommodations and oversight of transition houses that support victims of family and intimate partner violence, was transferred to NLHC. This move puts the majority of provincially delivered and funded components of the housing continuum under one roof, thereby improving linkages, synergies and efficiencies across previously siloed programs. Intended to be a temporary, emergency response, in recent years, a combination of non-profit and private emergency shelter providers have been used to provide emergency shelter for more than 850 individuals annually. Under its current umbrella, NLHC provides just over \$8 million annually to support the operations of the province's ten transition houses serving communities from St. John's to Nain and funding a total of 127 beds to assist women and children fleeing violence.

Through the Supportive Living Program, NLHC also provides operating grants to non-profit community organizations to prevent and end homelessness, foster long-term housing stability and develop support services space to provide on-site and outreach services.

NLHC remains the province's largest landlord, providing rent-g geared to income housing options as the operator of the province's social housing stock as well as through rent subsidies for low income households in private rental units. Additional Partner Managed units are operated in partnership with non-profit, municipal, health sector and cooperative housing groups throughout the province which offer subsidized housing options to individuals and families with low to moderate incomes.

Between 2003 and 2019, in partnership with the private and non-profit sectors, approximately 1,700 new affordable units were created in the province through the Federal-Provincial Affordable Housing Program. The signing of the new bilateral agreement for the National Housing Strategy has shifted the focus of Federal-Provincial investments towards the preservation, repair and expansion of rent-g geared-to-income housing. NLHC plans to meet a portion of its expansion efforts through partnerships with private and non-profit sector developers to develop housing in a manner similar to prior Affordable Housing calls, with adjustments that will extend affordability periods for tenants and incorporate a mixed-income approach to improve sustainability.

In addition to investing in a stable and affordable rental housing supply, NLHC's programs also aim to address housing affordability challenges for low-income households. These programs allow low income homeowners to complete 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. High energy costs of housing are also addressed through the Home Energy Savings Program, which enables homeowners to make homes more efficient to operate. In recent years, NLHC has also begun offering down payment support to moderate income households to purchase modestly priced homes

The programs delivered by NLHC and its community partners help to ensure safe, stable and affordable housing options are available in communities throughout our province. It is critical to acknowledge that many other government programs (e.g. income and employment supports, rent subsidies provided by Regional Health Authorities for complex needs, etc.) also support stable and affordable housing. Addressing the wide range of housing needs across the housing continuum requires a collaborative and coordinated approach across government and strong partnerships between all levels of government, community, and the private sector.

Housing Needs in Newfoundland and Labrador

Core Housing Need

Affordability is the primary issue facing households who are in core housing need in the province. A household is considered to be in core housing need if it does not meet at least one of the standards of adequacy, affordability or suitability and it would have to spend 30% or more

of its before-tax income to rent in the community in which they live. A household is considered in severe core housing need when this increases to 50%.

In recent years, major development projects and other economic drivers have caused significant increases in rental rates in various parts of the province, putting increased affordability pressures on renters. Other direct housing costs such as utilities and property tax have increased as well.

The 2016 Census includes the following data on core housing need in Newfoundland and Labrador:

- In 2016, 10.3 per cent of households in the province (22,495 households) were deemed to be in core housing need.
- The vast majority (87 per cent) of households in core housing need were paying more than 30 per cent of gross income towards housing costs.
- Single parent households and one-person households were much more likely to pay 30 per cent or more of gross income toward shelter costs compared to couple-family households.
- Of those in severe core housing need, 67% are renters and 33% are homeowners.

Over the course of the next nine years, housing investments in Newfoundland and Labrador will provide support to an estimated 19,251 households. Addressing housing need at all stages of the housing continuum will require a variety of approaches.

Homelessness

Homelessness can be prevented where we can ensure housing stability and access to a permanent home that is appropriate (affordable, safe, adequately maintained, accessible, and suitable size). This includes the provision of required services and supports to enhance well-being and reduce the risk of future homelessness. These responses must be preventative and sustainable in order to end homelessness.

Homelessness is seldom caused by a single factor, suggesting that it cannot typically be ended by one program or approach. Ending homelessness requires a client-centered approach with the alignment and coordination of services across government departments, municipalities, agencies, community partners and service providers.

Provincial efforts to address housing and homelessness are most effective when guided by a Housing First philosophy. This philosophy considers new and innovative solutions to ensure that people can access housing that is both affordable to them and meets their specific needs. Housing First is a recovery-oriented approach to ending homelessness that centers on quickly moving people experiencing homelessness into permanent housing and then providing additional supports and services they require to remain housed. The basic principle of Housing First is that people are better able to move forward with their lives if they have somewhere safe and secure to live. This approach varies significantly from the traditional response to homelessness which moves individuals through a graduated, step-based approach whereby they have to prove they are 'ready' to have a permanent home.

Core principles of the Housing First philosophy are:

- Immediate access to housing with no housing readiness requirements;
- Choice and self-determination;
- Recovery orientation with a 'harm reduction' approach to substance abuse and addiction;
- Individualized and client driven supports; and
- Social and community integration

While a smaller jurisdiction, Newfoundland and Labrador is similar to other areas of Canada when it comes to homelessness. This is particularly true with respect to over represented populations e.g. Indigenous People, seniors and youth, who require targeted responses and a concerted effort to address their unique needs. Preventing and ending homelessness will require coordinated and cross cutting actions that engage the mandate, expertise and resources of community and government partners as well as careful examination and responses to the underlying factors contributing to homelessness.

Social Housing Waitlist

Social housing waitlists across the province have ranged from 800-1200 in recent years. Some recent policy improvements have resulted in a larger pool of applicants as NLHC strives to better mirror social housing waitlists with the actual need in communities. When measured on March 31, 2019, 1,150 households were in the waiting pool of applicants for social housing. Changing demographics and an aging housing portfolio directly impacts the wait list. Most NLHC units were built 30-50 years ago and are comprised of 3-4 bedrooms to accommodate traditionally larger families; however, only 10 percent on the current wait list are seeking 3-4 bedrooms. Today 90 percent of applicants are seeking 1-2 bedrooms; whereas only 20 percent of our social housing stock consists of 1-2 bedrooms. According to internal NLHC data, just over 48 percent of all waitlist applicants reside on the Avalon Peninsula, highlighting the need for targeted housing investments to respond to this demand.

Community Housing Sector

Unlike many provinces and territories, Newfoundland and Labrador's community housing sector has less direct involvement in the operation of social housing. Newfoundland and Labrador Housing directly operates most of the rent-geared-to-income housing in the province through its regional offices, with municipalities (other than the City of St. John's) or local housing authorities having no role in offering social housing. Non-profit groups in the province are largely focused on the provision of emergency or transitional housing and supports rather than providing permanent accommodations. It is recognized that the long-term sustainability of social housing in the province would benefit from a strengthened community housing sector, forged through an enhanced role for the private and non-profit sectors in the operation of long-term housing options for both market and non-market rentals. NLHC's social housing expansion approach in this Action Plan includes a proposal to partner with both private and non-profit sector partners to develop housing that can serve as rent-geared-to-income or affordable housing but with a mixed-income approach to make projects more sustainable over time. The new Housing and Homelessness Partnership Fund can also help to strengthen the capacity of non-profit groups to enhance their role as a provider of housing options to the populations they serve.

Supply of Affordable Rental Housing

Social Housing Stock

NLHC remains the province's largest landlord, providing rent-geared-to-income housing options as the operator of the province's social housing stock, as well as through rent subsidies for low income households in private rental units. Additional Partner Managed units are operated in partnership with non-profit, municipal, health sector and cooperative housing groups throughout the province, which offer subsidized housing options to individuals and families with low to moderate incomes.

Social housing investments and targets through this Action Plan are established based on the number of social housing units that remain supported through the Social Housing Agreement (SHA) between CMHC and NLHC as of April 1, 2019. As of this date, 5,957 of the units within the Public Rental Housing and Partner Managed Housing programs are in receipt of operating subsidies and therefore are within the "baseline" of social housing units. "Urban Native Housing" is limited within Newfoundland and Labrador's social housing stock, and consists of 75 units which were constructed under the former "Urban Native Housing" program and are currently operated in Happy Valley-Goose Bay, Labrador through the Melville Native Housing Association.

As outlined further in this plan, NLHC intends to add to the number of units in the social housing baseline in part through major renovations to units that are no longer supported by subsidies, bringing them to a condition that they remain feasible as social housing for households in need.

In many communities in Newfoundland and Labrador, the supply of affordable and social housing is extremely limited. In these communities, the Province's primary approach to address core housing need is through repair programs provided to low-income homeowners. Most clients of home repair programs, would easily meet income eligibility requirements for social housing, as the average income of home repair clients in 2018-19 was approximately \$21,000. Home repair clients are also predominately seniors or nearing senior age, as 90% of clients are over 55 years of age, and 73% are above 65. Although the population of rural Newfoundland and Labrador is declining, the number of seniors in rural Newfoundland and Labrador is increasing. In 2019, seniors represented 25% of all residents of rural communities, and by 2038 this is projected to increase to approximately 40%. Supporting low income seniors to age in place is the most effective way to meet their housing needs and support the sustainability of rural communities. These households currently lack available social housing options and do not have sufficient income to afford to rent within the private market.

The challenge of providing affordable housing options in rural communities is compounded by the lack of a robust non-profit housing sector operating outside of regional centres. Providing community housing options to households in rural Newfoundland and Labrador will require partnership with private sector developers with a view to creating a more viable province-wide community housing sector.

The primary concern of NLHC's current social housing stock is the issue of "overhousing". Internal NLHC data shows that, in 2018, 1,203 households within the social housing population were residing in units with more than the required number of bedrooms. Largely, the waiting pool of applicants for social housing requires 1 or 2 bedrooms, while the vast majority of units that become available through vacancy are of the 3 or 4 bedroom configuration. NLHC's expansion plans under the Canada Community Housing Initiative will be designed to address this challenge through a combination of new apartment construction and reconfiguration of existing units.

Market Vacancy Rates

According to Canada Mortgage and Housing Corporation's October 2018 Rental Market Survey, vacancy rate changes were mixed among the province's urban centres. The overall provincial vacancy rate was 6% compared to 6.6% in October 2017. The vacancy rate in the St. John's area decreased slightly from 7.2% to 6.3% after eight years of increases. Following a sizeable increase in newly built apartments in recent years, the small change in vacancy can be attributed to increased demand for rental accommodations from all demographic segments in 2018 and fewer new units coming on the market. Average total rent increased marginally to \$877, in-line with flat activity throughout the broader housing market and economy in the St. John's region.

Gander's vacancy rate increased from 3.3% to 6.6% from 2017 to 2018, with an average rent of \$663. Gander's location as a major regional service hub for the Gander Bay area and considerable employment levels at its international airport and large hospital, support rental demand historically. Robust residential and commercial development have boded well for the town of Gander in recent years, but a decline in overall economic activity pressured vacancies.

Grand Falls-Windsor's vacancy rate went down to 4.9% from 7.7% from 2017 to 2018, with an average rent of \$715. With a large regional hospital, community colleges and a prime location for servicing the surrounding communities, Grand Falls-Windsor's economy has remained steady and resilient over the past year and supported increased rental apartment demand accordingly.

In Corner Brook, the vacancy rate change to 4.1% from 3.8% in the prior year was statistically insignificant, with an average rent of \$718. The city's sizable health, education and tourism sectors, paired with its pulp and paper industry and deep water port, continue to support a relatively stable rental market in the region. Despite flat provincial economic growth, the province's third largest city continues to benefit from a diverse population due to its location as a major regional service hub for all of western Newfoundland.

CMHC does not provide rental market data for communities in Labrador.

Consultations

This plan has been developed based on input from community-based service providers, advocates, people with lived experience of homelessness and poverty, NLHC clients, landlords,

and others who participated in multiple engagement efforts conducted across the province. It also builds upon and aligns with the strategic investments and commitments made in the Towards Recovery: The Mental Health and Addictions Action Plan for Newfoundland and Labrador. The Plan also has been informed by the 2018 review of the programs and services of NLHC and builds upon the commitment to ensure the mandate of the organization reflects current priorities and optimizes the use of federal and provincial funding. Combined these commitments will increase the overall efficiency, effectiveness and affordability of provincially-run social housing programs and will reduce complexity and duplication within the system.

The implementation of this plan will require enhanced housing research and data capacity in the province moving forward. The objectives of this plan are heavily focused on strengthened linkages between capital investments (new construction, repair programming, etc.) and social supports. Better linkages between these two forms of housing assistance will allow NLHC and its partners to ensure that investments made through the Plan are targeted directly to vulnerable populations and are designed to enable better incorporation of support services.

Housing need in Newfoundland and Labrador is complex and varies between regions, with solutions in St. John's and Corner Brook often looking very different from those required in rural and remote communities. A stronger focus on research and data will allow NLHC to refine programs and complete capital planning in a matter that is more responsive to specific community needs. NLHC will work with CMHC and the Newfoundland and Labrador Statistics Agency to create a housing and research agenda focused on better understanding the housing needs of households in Newfoundland and Labrador to help NLHC identify policy and program improvements across the housing continuum to better address housing need.

NLHC will coordinate efforts to promote, support and coordinate the capture and utilization of homeless data by transition houses and emergency shelter providers province-wide through the Homeless Individuals and Families Information System 4.0 (HIFIS 4.0).

Support of National Housing Strategy Outcomes

Social Inclusion and Vulnerable Sub-Populations

Serving vulnerable populations is a key housing policy objective of the Province, recognizing that housing need is a particularly impactful aspect of the life challenges faced by some populations. Newfoundland and Labrador strives to serve the housing needs of all vulnerable populations targeted by the NHS. This commitment will be demonstrated clearly in the newly established Provincial Housing and Homelessness Partnership Fund, which will place a high priority on projects and proposals that will directly benefit vulnerable sub-populations identified in the National Housing Strategy. Further, the Action Plan includes more specific and direct benefits to the following vulnerable sub-populations:

Women and Women with Children

Newfoundland and Labrador supports the NHS target that a minimum of 25% of investments under NHS will target women and women with children. According to the 2016 Census, there were 1,340 female lone parent households in severe core housing need, of these 995 were renting. Additionally, there were 3,100 female one person households in severe core housing need with 69 percent of those renting.

Creation of new housing units and the reconfiguration of larger units into multiple 1 and 2 bedroom units will be very beneficial to women living alone as well as women with children. Demand for smaller units by women and women with children has been on the rise for many years and the Bi-lateral Agreement provides an excellent opportunity to update the social housing stock to better meet demand and also support female-led households, who make up the majority of households in core need (56%) and would benefit from any increase the social housing stock.

Investments in social housing and repair programs that benefit seniors will also be represent a significant investment in reducing core housing need among women, as female-led households make up 67% of all senior households in core housing need in the province, and 65% of all households within the social housing stock.

Government's partnership with CHMC in the design and delivery of the Canada Housing Benefit stands to make a positive impact on the lives of many women in this province. It will be important that the unique needs of women be considered in the development of this benefit examples of which include an increasing number of women with responsibility for care-giving and their lower levels of income relative to men.

Seniors

The population of Newfoundland and Labrador is ageing rapidly. As the number of seniors grows, how government supports low income seniors will evolve, with a continued focus on helping them to remain healthy and independent. It is expected that as the number of seniors in this province increases, so too will need for affordable and accessible housing options. Options to better serve seniors who are homeless or at risk of becoming homeless will also be a key focus of Newfoundland and Labrador's overall homelessness approach.

NLHC's Social Housing expansion efforts will focus on the creation of units in better proximity to health facilities, public transit, and other key services and amenities of importance to seniors.

Housing affordability challenges for seniors who own their own homes are also a major focus for the Province. With little or no rental market in many communities, housing affordability is often best achieved by supporting seniors to age-in-place in their homes by supporting improvements in the structural condition and energy efficiency of their homes. This need is addressed through the continuation of the Provincial Home Repair and Home Modification Programs, which serves households with an average age of 70 and average incomes comparable to those residing in public rental housing in the province. Through additional funding under PT Priorities and the Canada Community Housing Initiative, these programs will enable repairs and modifications on upwards of 1,700 homes annually.

Youth

Youth homelessness is a concern in communities of all sizes in Newfoundland and Labrador and in this plan government recognizes this as a priority area. The province is committed to an evidence based approach to support creative and innovative methods in addressing youth homelessness. In developing solutions to the many causes of youth homelessness, we must keep in mind that the supports provided to homeless youth and youth facing homelessness should be appropriate, meaningful, and provide opportunities for safe and stable long-term housing.

Reconfiguration of existing single family social housing to multi-units with 1 or 2 bedrooms will create more options for low-income youth and young adults. The commitment to target a minimum of 25% of investments under the plan to women and women with children will have a direct benefit for younger children and young single mothers.

Indigenous

The National Housing Strategy recognizes the Government of Canada's commitment to a nation-to-nation, Inuit-to-Crown, government-to-government relationship with Indigenous peoples. The National Housing Strategy commits the Government of Canada to fund and co-develop distinctions-based housing strategies for and with First Nations, Inuit and Métis Nation partners. The Government of Newfoundland and Labrador looks forward to collaborating with all Indigenous governments and communities on developing safe and affordable housing.

Investments in Nunatsiavut through the Inuit Housing Strategy and the eligibility of other communities to benefit from other distinctions-based strategies help address an important segment of the overall housing need in Newfoundland and Labrador. While not included within the distinctions-based strategies, Indigenous households living off-reserve are fully eligible to benefit from all programs and services under this Action Plan.

Indigenous governments and organizations will be prioritized within the Provincial Housing and Homelessness Partnership Fund in recognition of the distinct needs of Indigenous communities, particularly those in Labrador, regarding the risk of homelessness.

Persons with Disabilities

Accessibility is a key factor in the development of safe, suitable, and adequate affordable housing. In 2016, over 25% of all households in core housing need in Newfoundland and Labrador included a resident with a disability. Government intends to focus on accessibility by working with community groups to prioritize and strategize social housing accessibility improvements that will help to address the growing demand and range of accessibility requirements in Newfoundland and Labrador. This work will include the allocation of \$500,000 from NLHC's modernization and improvement budget in each fiscal year of this plan to expand the number of existing social housing units that are accessible. Furthermore, new housing constructed as part of social housing expansion efforts will include universal design features that will better meet the needs of tenants today and into the future.

Environmental Sustainability

Housing expansion efforts will strive to design and build new construction by achieving a minimum 25% decrease in the energy consumption and greenhouse gas (GHG) emissions over the requirements of the 2015 National Building Code (NBC) and past performances. For any buildings it constructs, NLHC will incorporate new technologies designed to enhance environmental sustainability and will consider environmental sustainability when selecting projects with the private and non-profit sectors. Where possible, building materials will be recycled and/or come from renewable resources where possible to obtain energy efficiencies.

Energy Efficiency

Newfoundland and Labrador has made a strong commitment to energy efficiency within its housing stock and recognizes energy improvements as a key element in the long-term sustainability of its housing stock. Investments to be made under the Newfoundland and Labrador Priorities Initiative under the NHS will see increased insulation and LED lighting installed across the province, while upgrades through both the Modernization and Improvement of social housing and home repair programming will see the installation of more efficient windows and doors, among other upgrades. Materials utilized in new construction will meet or exceed NBC energy efficiency requirements.

Local Employment/Economic Impact

There are positive economic impacts for Newfoundland and Labrador as a result of entering into the Agreement, including construction jobs for the repair and construction of residences. The Agreement includes cost-shared investments (between Newfoundland and Labrador and the federal government) of over \$270 million over the term of the Agreement.

Statistics Canada's Input-Output (I/O) multipliers for Repair Construction were used to capture the economic and revenue impacts. With a yearly average investment of \$30 million between both governments, the yearly average contribution associated with this investment is estimated at \$22.23 million in total (direct and indirect) Gross Domestic Product (GDP), along with 221 full-time jobs and \$15.18 million in labour income.

Economic Impact								
Direct Impact			Indirect Impact			Total Impact		
GDP	Labour Impact	Jobs	GDP	Labour Impact	Jobs	GDP	Labour Impact	Jobs
\$11.52M	\$8.43M	97	\$10.71M	\$6.75M	124	\$22.23M	\$15.18M	221

Additional economic spinoffs may occur as renters and homeowners benefitting from these programs stabilize their housing situation, access services required to eliminate barriers to employment, and become better positioned to develop skills to participate in the labour force and/or grow their income.

NEWFOUNDLAND AND LABRADOR-DELIVERED INITIATIVES

The Initiatives delivered under the Bilateral Agreement for the National Housing Strategy include the Canada Community Housing Initiative and the Newfoundland and Labrador Priorities Initiative.

Canada Community Housing Initiative (CCHI)

The Canada Community Housing Initiative is primarily intended to fund PT contributions to Federal NHS targets, with PT-specific targets established based on the number of units still under the Social Housing Agreement (SHA) as of March 31, 2019. The National Housing Strategy has set targets for social housing in Canada that would see 100% of the currently funded baseline of social housing units preserved to 2028, while also targeting a 15% expansion of social housing and repairs to 20% of existing units. The bilateral agreement establishes a baseline for Newfoundland and Labrador of 5,957 social housing units. As a result, NL has established these 9-year targets for CCHI to contribute to the social housing targets under the National Housing Strategy:

- 5,957 social housing units continuing to be offered
- 894 units added to the baseline number of social housing units (through a combination of new construction, reconfiguration, acquisition and renewal of previously expired units) by March 31, 2028
- 1,192 social housing units repaired by March 31, 2028

Through the Canada Community Housing Initiative and provincial spending on social housing, the Federal and Provincial governments will allocate \$44,961,600 between 2019 and 2022, to build capacity and begin working towards Newfoundland and Labrador's contribution to the NHS targets for the preservation, repair and expansion of social housing.

Preservation of Social Housing

Newfoundland and Labrador's contribution to Federal NHS targets will see 5,957 units preserved to the end of the 10 year strategy. Over the initial three year planning period, Federal support for the operation and maintenance of social housing through the SHA declines from \$13.6 million in 2019-20 to \$10.6 million in 2021-22. As part of provincial contributions to the ongoing operation and maintenance of the social housing stock, Action Plan 2019-22 includes a Provincial allocation of \$16,980,000 over the three-year planning period to support the preservation of 1,986 units within the social housing baseline. This investment will help to offset the impact of scheduled declines in operating funding under the SHA and ensure that no units scheduled for expiry during the three year period will be removed from the social housing stock.

While Federal funding under the CCHI is not being allocated to the preservation of social housing in the first Action Plan, in future planning periods Newfoundland and Labrador may utilize Federal funding under CCHI to support the ongoing operations of existing social housing

to respond to the challenges associated with declining funding under the SHA and to meet increased operating requirements resulting from the expansion of social housing.

While Indigenous Housing is limited within Newfoundland and Labrador's social housing stock, 75 units which were constructed under the former "Urban Native Housing" program are currently operated in Happy Valley-Goose Bay through the Melville Native Housing Association. No funding has been specifically committed to these units in the first three-year plan as these units have received upgrades in recent years.

Community Housing Expansion – New Rent-Geared-to-Income Units

To contribute to the Federal NHS target to expand the supported social housing stock by 15% by 2028, NLHC will complete a social housing expansion plan. Over the remaining 9 years of the National Housing Strategy, this expansion plan will include three distinct approaches to increase the number of social housing units supported by the Federal and Provincial governments by up to 894 units by 2027-28. During the first 3-year Action Plan, Newfoundland and Labrador will invest \$15,881,600 in Federal and Provincial funding to expand the social housing baseline by an estimated 144 units, pending actual construction costs and the distribution of funding between approaches, which will be subject to NLHC capital planning and consultation with municipalities and other stakeholders.

i. Renewal of Expired Social Housing

Since signing the SHA in 1997, the Province of Newfoundland and Labrador has strived to ensure that, where feasible, social housing units that have expired under the SHA have continued to operate on a rent-geared-to-income basis. However, in a number of instances units that are expired under the Social Housing Agreement have been removed for operation or deemed unfit to reallocate upon vacancy given the physical condition and cost to renovate and operate these units.

The National Housing Strategy and the bilateral agreement provide an opportunity to renew these units and reutilize them as social or community housing. In each of the next three fiscal years, Newfoundland and Labrador will complete major renewal projects on previously expired units that are not currently within the portfolio of units that can be used to remove a household from housing need. This investment and a new long-term commitment to subsidize these units will add up to 80 additional units to the social housing baseline, and will modernize and improve social housing units that were at risk of no longer providing a suitable housing option to households in need.

ii. Reconfiguration of Existing Housing

To respond to the misalignment of the configuration of NLHC's current housing stock with the demographics of the social housing waitlist, NLHC has completed a stock utilization plan. This plan targets single detached or duplex homes that could be converted to larger multi-unit configurations. It is estimated that reconfiguration projects in the first planning period could be responsible for between 12 to 20 units in the first three years.

iii. Construction or Acquisition of New Social Housing and Wrap-Around Services

From 2003 to 2019, Newfoundland and Labrador has partnered with private and non-profit developers to create over 1700 affordable housing units. While the Province's approach to new construction has shifted focus, partnerships with these developers will still be utilized to meet expansion targets under the NHS. A new program providing capital support to developers will launch in 2020. Assistance provided to proponents will be similar to previous Affordable Housing proposal calls, though with a greater focus on mixed income developments and longer-term affordability agreements with developers. Over the life of the bilateral agreement, NLHC's construction approach will increasingly focus on partnerships with non-profit groups, however as an interim step until non-profit capacity to construct and operate housing is strengthened, partnerships will be built with the private sector to develop mixed-income social and affordable housing projects. Further, in 2020/21 and 2021/22, NLHC plans, for the first time in over 30 years, to build new medium and large-scale Provincially-operated social housing to target vulnerable populations and address demographic challenges not currently met by the existing housing stock. These new builds will be designed to meet the bilateral commitment to modernize social housing to make it more financially and environmentally sustainable and place it closer to health and social services, transportation and employment opportunities.

In 2019/20, an investment of \$1.4 million will see eight new units constructed on Froude Avenue in St. John's to replace units destroyed by fire in 2017. Newfoundland and Labrador has also submitted an application through the Federal Lands Initiative to secure a parcel of land in the Pleasantville neighbourhood of St. John's. If successful in its application, 40 units of new social housing will be constructed, with the inclusion of new accessible units. Planning for the site would enable a further 20 units to be constructed in future years.

Community Housing Expansion - New Emergency Shelter Space

Newfoundland and Labrador has adopted a "Housing First" approach to guide investments in housing supports and services. Homelessness or the risk of becoming homeless is the most extreme end of the housing continuum, and movement of individuals through the housing continuum must be anchored by approaches to provide shelter to the most vulnerable residents of the province. The transfer of responsibility for emergency housing to NLHC in 2018 was intended to improve the delivery of emergency housing services and help facilitate the movement of homeless and at-risk individuals to more permanent housing options. Delivery of these supports has been challenged by the lack of dedicated shelter space for short-term emergency accommodations with dedicated wrap-around supports. In 2019-20, \$2,000,000 has been allocated to secure new emergency shelter space in St. John's, with an anticipated 40 new shelter spaces created to contribute to expansion targets under CCHI. NLHC will engage with community stakeholders to ensure that this new shelter space is best designed to meet the needs of vulnerable clients and includes space for support services.

Repair of Social Housing

As Newfoundland and Labrador's contribution to the Federal NHS target to repair 20% of social housing currently supported through the SHA, Newfoundland and Labrador will allocate \$2,700,000 in each fiscal year to repair existing social housing currently supported by the Social

Housing Agreement. This includes \$2,200,000 from the Provincial Modernization and Improvement budget, with an additional \$500,000 in CCHI funding being allocated to repairs. These investments will allow NLHC to complete exterior and/or interior upgrades to nearly 1,200 existing units and meet Federal targets for repair within the NHS timeframe.

There are currently 75 Urban Native units within the province, all operated by Melville Native Housing in Happy Valley-Goose Bay. The operation and maintenance of these units are funded through the Social Housing Agreement until 2026, and therefore no additional money has been committed to the 100% Urban Native preservation target in this action plan. These units have been repaired in recent years and while NLHC is committed to utilize CCHI funding for needed repairs if required during the life of the Bilateral agreement, no funding for repairs has been allocated for 2019-22.

Social Housing Energy Improvements

As the largest landlord in the Province, operating many units in single-detached or duplex configurations, Newfoundland and Labrador Housing faces the same challenges as private homeowners regarding the energy efficiency of its homes. Like private homes, units within the NLHC portfolio can see significant energy and operating savings through a series of low-cost, high return energy improvements. These upgrades, which could include improved air sealing, upgraded insulation, and conversion to LED lighting, will reduce energy consumption and help contribute to Provincial efforts to tackle climate change. Over the next three years, NLHC will invest \$2,000,000 to complete energy improvements on social housing units across the province. At an average cost of \$300-600 per unit, this will result in improved energy consumption in an estimated 3,000-5,000 social housing units. The energy savings realized through these upgrades will be a key contributor to NLHC's efforts to make social housing more sustainable and less costly to operate in future years. It will also improve housing affordability for tenants who pay their own heat and light, allowing them to reduce their energy costs and extend their coverage through heat subsidies further into the heating season.

Summary of Investments – Canada Community Housing Initiative:

Initiative	2019-22 Spending
Social Housing Preservation	\$16,980,000
Community Housing Expansion - RGI	\$15,881,600
Community Housing Expansion – Emergency Shelter Spaces	\$2,000,000
Social Housing Repair	\$8,100,000
Social Housing Energy Improvements	\$2,000,000
Total	\$44,961,600

Newfoundland and Labrador Priorities Initiative

The Federal and Provincial governments will allocate \$23,880,000 to provincial and territorial priorities from 2019-22 utilizing Federal funding through the Newfoundland and Labrador Priorities stream of the NHS and provincial cost-sharing. This stream replaces funding which previously funded the Federal share of proposal calls for affordable housing, as well as funding home repair programs. The creation of a PT Priorities stream provides greater flexibility to fund a wider variety of provincial initiatives through the Provincial Housing and Homelessness Plan.

Provincial Home Repair and Home Modification Programs (PHRP/HMP)

Over the three-year Action Plan, NLHC will invest \$20,480,000 through the Newfoundland and Labrador Priorities Initiative to fund repairs through the Provincial Home Repair Program (PHRP) and Home Modification Program (HMP). PHRP is designed to provide funding to assist homeowners with low income who require repairs to their homes, to complete structural and related component repairs, with improvements in basic heating, electrical and plumbing services. HMP is designed to provide funding to assist homeowners with low-to-moderate income who require urgent accessibility changes to their residences. Both programs are designed to enable individuals, largely seniors, to remain in their own homes for a longer period of time. This investment will enable NLHC to provide home repair assistance to approximately 4,500 households over three years, including over 500 accessibility improvements.

Provincial Housing and Homelessness Partnership Fund

The three-year action plan includes a wide range of initiatives to address housing need in Newfoundland and Labrador. While the primary focus of investments through the plan are specific capital infrastructure investments in homelessness and the social housing stock, this plan is also intended to be responsive to emerging Provincial housing priorities while supporting the broad outcomes and objectives within the National Housing Strategy. NLHC will avail of \$3,400,000 over the next three years to create a new Provincial Housing and Homelessness Partnership Fund to support proposals and initiatives from community partners that support NHS outcomes and other Provincial housing priorities. This may include capital investments, investments in homelessness supports and services, supports to other vulnerable populations as identified both in the NHS and the Provincial plan, as well as other housing-related projects. Allocation of this funding will be done to reflect the input of stakeholders across the housing spectrum and will support provincial housing priorities. Parameters will be finalized in 2019.

The Provincial Housing and Homelessness partnership Fund will also pay particular focus on building the community housing sector to strengthen its ability to provide housing options to low-income households. Projects under the Fund that focus on sector development will receive priority. Projects with a sector development focus may include an emphasis on asset management and portfolio planning, the creation of mixed-use and mixed-income developments, as well as proposals to improve the long-term sustainability of non-profit housing.

Summary of Investments:

Initiative	2019-22 Spending
PHRP/HMP	\$20,480,000
Provincial Housing and Homelessness Partnership Fund	\$3,400,000
Total	\$23,880,000

Targets and Outcomes

Action Plans will include the following table on Targets and Outcomes for expected results ²

CMHC and Newfoundland and Labrador agree on the following Expected Overall Targets related to the PT delivered funding under this Agreement from 2019/20 to 2027/28.

a) Targets and Outcomes for expected results overall

Outcome	Expected Results	Target (Units)								
		Year 1 Target and Funding (\$M)		Year 2 Target and Funding (\$M)		Year 3 Target and Funding (\$M)		3 Year Cumulative Total Target and Funding (\$M)		2019/20 - 2027/28 Target
CCHI: Maintain/ increase Social Housing supply	Units continue to be offered in Social Housing	662	\$4.2M	1,324	\$6.5M	1,986	\$6.28M	1,986	\$16.98 M	5,957 units /\$98.09M
	No net loss of Urban Native Social Housing Units ³	75	\$0M	75	\$0M	75	\$0M	75	\$0M	75 units / \$TBD
	15% expansion of rent assisted Units ⁴	11	\$1.1M	74	\$7.64M	59	\$7.14M	144	\$15.88 M	854 units/ \$88.31M
	Emergency Shelter Space	40	\$2.0M	0	\$0	0	\$0	40	\$2.0M	40 units/\$2.0M

² Expected Results and Targets will be established and added following co-development of the Canada Housing Benefit.

³ As of April 1, 2019, all Urban Native units are deemed to be in good condition. All units are currently supported under the Social Housing Agreement, and funding listed here represents the annual funding provided to subsidize mortgages on units. Pending future deterioration of condition, NLHC will invest in needed repairs and adjust allocations accordingly.

⁴ Rent assisted Units refers to PT-administered Units under Social Housing Agreements / Federal-Provincial Agreements provided to low-income households on a rent geared to income basis. Expansion funding and targets includes renewal projects completed on expired social housing under the Provincial Modernization and Improvement budget as well as shelter beds in new Emergency Shelter.

Outcome	Expected Results	Target (Units)								
		Year 1 Target and Funding (\$M)		Year 2 Target and Funding (\$M)		Year 3 Target and Funding (\$M)		3 Year Cumulative Total Target and Funding (\$M)		2019/20 - 2027/28 Target
CCHI: Repair existing stock	At least 20% of existing Social Housing Units repaired	133	\$2.7M	133	\$2.7M	133	\$2.7M	399	\$8.1M	1,197 units / \$24.6 million
	Urban Native units repaired to good condition ⁵	0	\$0	0	\$0	0	\$0	0	\$0	75 units/\$.7 million
CCHI: Other Priorities	Social housing units - energy upgrades	0	\$0	750-1250 units	\$0.5M	2,250-3750 units	\$1.5M	3,000 - 5,000 units	\$2.0M	3,000-5,000/\$2.00M
Subtotal	<i>CCHI</i>	\$10.0M		\$17.34M		\$17.62M		\$44.96M		
Provincial Housing Priorities	Low-income homes repaired	1,800	\$8.78M	1,400	\$6.20M	1,300	\$5.5M	4,500	\$20.48M	10,200 / \$49.84M
	Housing Partnership Fund ⁶	200	\$1.13M	200	\$1.13M	200	\$1.14M	600	\$3.40M	1200/\$7.00M
Subtotal	<i>PT Priorities</i>	\$9.91M		\$7.33M		\$6.64M		\$23.88M		
Total		2019-20 \$19.91M		2020-21 \$24.67M		2021-22 \$24.26M		(2019-22) \$68.84M		2019-20/2027-28 \$270.62M

⁵ As of April 1, 2019, all Urban Native units are deemed to be in good condition. Pending future deterioration of condition, NLHC will invest in needed repairs and adjust allocations accordingly.

⁶ Number of households supported will be dependent on accepted projects under PHHF. NLHC will report annually on the number of households supported.

b) Expected number of households for which Housing Need will be addressed⁷ by Initiative

Initiative	Target (Households)				
	Year 1	Year 2	Year 3	3 Year Cumulative Total	2019/20 - 2027/28 Target
NL Priorities Housing Initiative (unique households year-over-year)	2,000	1,600	1,500	5,100	11,400
Canada Community Housing Initiative (cumulative year-over-year)	694	1,882	2,550	5,126	7,851
Total	2,694	3,482	4,050	10,226	19,251

Action Plans will include the following tables on Targets for indicators

a) Planned Cost-Matched Funding per Initiative

Initiative	Planned Cost-Matched Funding			
	2018/19 (\$M) ⁸	Year 1 (\$M)	Year 2 (\$M)	Year 3 (\$M)
[P/T] Priorities Housing Initiative	-	\$2,750	\$2,750	\$2,750
Canada Community Housing Initiative	-	\$7,204	\$9,584	\$9,382

⁷ Housing Need is addressed either by eliminating or reducing housing need.

⁸ Planned eligible Cost-Matched Funding in 2018/19 will be reflected here along with planned eligible Cost-Matched Funding in 2019/20.

b) Planned funding and indicators to achieve overall targets over the three-year planning period.

Indicator: Number of households for which Housing Need is addressed	Target (Households)								
	Year 1 Target and Funding (\$M)		Year 2 Target and Funding (\$M)		Year 3 Target and Funding (\$M)		3 Year Cumulative Total Target and Funding (\$M)		2019/20 - 2027/28 Target
	#	(\$M)	#	(\$M)	#	(\$M)	#	(\$M)	
New Construction	11	\$1.1M	79	\$7.64M	64	\$6.14M	154	\$14.88M	894 units/ \$86.31M
Repaired/ Renewed	1,333	\$9.1M	1,833	\$11.6M	1,833	\$11.6M	4,999	\$32.3M	12,997 units /\$75.2M
Total	1,344	\$10.2M	1,912	\$19.24M	1,897	\$17.74M	5,153	\$47.18M	13,891 units / \$161.51M

Indicator: Housing Units considered accessible ⁹	Target (Units)								
	Year 1 Target and Funding (\$M)		Year 2 Target and Funding (\$M)		Year 3 Target and Funding (\$M)		3 Year Cumulative Total Target and Funding (\$M)		2019/20 - 2027/28 Target
	#	(\$M)	#	(\$M)	#	(\$M)	#	(\$M)	
New ¹⁰	3	\$0.9M	6	\$1.8M	6	\$1.8M	15	\$4.5M	50 households - \$15M
Repaired/ Renewed ¹¹	225	\$1.50M	225	\$1.5M	225	\$1.5M	675	\$4.5M	2,000 households- \$13.5M
Total	228	\$2.4M	231	\$3.3M	231	\$3.3M	690	\$9.0M	2050 households - \$28.5M

⁹ Considered accessible in a building as per the local or national building code.

¹⁰ Precise number of newly created accessible units to be determined based on capital planning and selected options for new construction; minimum 1 in 10

¹¹ Private households receiving required accessibility repairs through the Home Modification Program.

