

CMHC – NEWFOUNDLAND AND LABRADOR 2022-23 ACTION PLAN

Introduction

In 2018-19, a significant collaborative effort between the provincial and the federal governments resulted in the signing of a 9-year, **\$345.0 million** cost-shared Canada-Newfoundland and Labrador Bilateral Agreement under the 2017 National Housing Strategy (NHS). Investments under this agreement focus on preserving, renewing, and expanding social and community housing and responding to the diverse housing needs throughout Newfoundland and Labrador.

Under the Bilateral Agreement, action plans are required to be developed, outlining how the Newfoundland and Labrador Housing Corporation (NLHC) will invest cost-shared provincial and federal funding, through Canada Mortgage and Housing Corporation (CMHC), to achieve the targets and expected outcomes outlined in the Bilateral Agreement.

This Action Plan covers the period from April 1, 2022, to March 31, 2023. Through the Bilateral Agreement, over the next year, **\$34.1 million** of federal and provincial funding will be invested to address housing and homelessness needs throughout Newfoundland and Labrador.

Newfoundland and Labrador Context and Priorities

Access to safe, stable and affordable housing is a key social determinant of health and underpins social and economic inclusivity. The recently released Health Accord NL (2022) - Our province. Our health. Our Future - highlights the importance of secure housing that is safe, stable, and comfortable on determining positive health outcomes. It further identifies that, within the social safety net system, programs such as social housing protect people and negate the impacts of poor housing on health.

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.

This Action Plan is consistent with the overarching principles and targets set forth in the NHS and the Bilateral Agreement with respect to preservation, expansion and repair targets and initiatives to address core housing need and direct affordability benefits.

This Action Plan also aligns with, and supports, NLHC's three priority areas outlined in its 2020-2023 Strategic Plan:

- Sustaining the Social Housing Stock
- Increasing Access to Affordable and Adequate Housing
- Strengthening Partnerships to Address Homelessness

A broader systems-wide Provincial Housing and Homelessness Plan, currently under development, will further build on this Action Plan. This comprehensive plan will be developed in collaboration with other departments and stakeholders with the goal of reducing core housing need and addressing the systemic barriers related to homelessness. The Provincial Housing and Homelessness Plan will work in tandem with other provincial strategies, including the Social and Economic Well Being Plan under development, to address poverty and support the needs of the most vulnerable in our province.

Current Programs and Services

NLHC clients are individuals and families with low-to-moderate incomes who require assistance in accessing or maintaining safe, adequate and affordable housing. The programs delivered serve renters, homeowners, those experiencing or at risk of homelessness, and distinct populations whose housing needs are particularly acute, including women and children, Indigenous persons, seniors, youth, persons with disabilities, and persons experiencing complex needs, including mental health and addictions.

NLHC offers a wide range of programs across the full housing continuum to meet the diverse needs of clients, including:

- Operation and maintenance of 5,584 public social housing units throughout the Province that are home to over 11,700 low-income individuals.
- Rental Supplement and Canada-NL Housing Benefit programs that provides rental assistance to low-income households in the private rental market, assisting over 1,900 low-income individuals secure affordable housing.
- 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 an estimated 1,500 individuals and families with low to moderate incomes.
- Home Repair programs that provide financial assistance to over 1,900 low-income homeowners to complete much needed repairs to their homes, improve accessibility or to make energy efficiency improvements. These programs support 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.

- Supportive Living Program that provides operating grants to non-profit organizations province-wide to prevent and end homelessness, foster long-term housing stability and develop support services space to provide on-site and outreach services. In 2020-21, this program housed over 700 individuals and provided supports to over 5,000 individuals.
- Emergency Shelter Program which manages a 24/7 toll free number to support individuals experiencing homelessness. NLHC engages a range of non-profit and private shelter operators to respond to required emergency shelter placement for individuals experiencing homelessness and connect them to supports to secure permanent housing as quickly as possible. In 2021-22, over 987 unique individuals accessed services of this program.
- Transition Housing Program that provides funding to the Province's 10 transition houses to provide safe short-term accommodations, services and resources to support women and their children who are vulnerable for, at risk of, or have been subjected to intimate partner violence. In 2020-21, 700 individuals accessed services of this program.

Overall in 2021-22, excluding salaries and general operating, investments in these programs totalled \$95.31 million (unaudited) and served over 25,000 clients.

Table 1: NLHC Programs: 2021-22

| Program | 2021-22 ¹ | |
|---|----------------------|----------------|
| | Clients | \$ (M) |
| NLHC Rental Housing Program | 11,741 | \$47.61 |
| NLHC Rental Supplement Program | 1981 | \$10.80 |
| Partner-Managed Housing Program | 1,479 | \$7.80 |
| Provincial Home Repair Program | 1,629 | \$5.97 |
| Home Modification Program | 355 | |
| Home Energy Savings Program | 523 | |
| Supportive Living Program – Supported Housing | 1,108 | \$7.86 |
| Supportive Living Program – Other Supports | 10,615 | |
| Emergency Shelter Program | 987 | \$6.01 |
| Transition House Program | 955 | \$9.01 |
| Totals | 31,373 | \$95.06 |

1 - Unaudited and excludes salaries and general operating

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 also important to acknowledge that many other government programs (e.g. income and employment supports, rent subsidies provided by Regional Health Authorities for complex needs, Seniors' Benefit, 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 federal, provincial, municipal and Indigenous governments as well as community partners and the private sector.

Who We Serve

NLHC Rental Programs

NLHC is the largest landlord in the province and also provides rental subsidies to clients in the private rental market. The 2021-22 profile of the 7,607 households or 13,877 individuals supported through these rental programs is diverse:

- 73 per cent of households reside in NLHC's owned units; 45 per cent of these households receive income support, 25 per cent earn employment income and 30 per cent receive pensions.
- 27 per cent of households receive NLHC rental subsidies in the private market; 28 per cent receive income support, 15 per cent earn employment income and 57 per cent receive pensions.
- 25 per cent have children in the K-12 school system.
- 66 per cent of households are female head of household compared to males at 25 per cent, and 9 per cent are dual head of household.
- Households' average annual net income is \$14,708 and monthly rental payments are \$379.

In this Province, households with an annual net income under \$32,500 are eligible for NLHC's social housing (\$65,000 for Labrador West and northern coastal communities). Rental programs are rent-geared-to-income with rent calculated at 25 per cent of net household income.

Rental programs also prioritize housing occupancy to the most vulnerable. Women fleeing violence, and those experiencing or at risk of homelessness, are prioritized for housing placement. This is reflective of the 2021-22 tenant selection data which reports 40 per cent of applicants placed in housing were women fleeing violence, or individuals who experienced or were at risk of homelessness.

Home Repair Programs

The provincial homeownership rate for low-income households under \$30,000 is 51.6 per cent, well above the Canadian average of 36 per cent. NLHC home repair and accessibility modification programs are important housing affordability measures to support low-income homeowners, particularly seniors in rural areas, to remain in their homes. The average income of home repair clients in 2021-22 was approximately \$22,838. Home repair clients are also predominately seniors or nearing senior age, as 94 per cent of clients are over 55 years of age, and 79 per cent are above 65. The average applicant age was 71, and the average home age was 54 years.

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 per cent 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 per cent.

The 2016 Census includes the most recently available data on the 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 per cent are renters and 33 per cent are homeowners.

Based on the Market Basket Measure (MBM), Statistics Canada reports that in 2020, 36,000 people in Newfoundland and Labrador, or 7.0 per cent of the population, were considered low income. MBM is a measure of low income based on the cost of a specified basket of goods and services representing a modest, basic standard of living.

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. The COVID-19 pandemic has further highlighted the critical importance of having a safe and affordable place to call home. It is also recognized that certain subgroups of the population are more likely to experience more pronounced housing needs, including: women and women with children, Indigenous persons, seniors, youth, and persons with disabilities. Newfoundland and Labrador strives to serve the housing needs of all vulnerable populations targeted by the NHS.

Women and Women with Children

Newfoundland and Labrador supports the NHS target that a minimum of 25 per cent of investments under the NHS target women and women with children. While the overall provincial core housing need in the province is 10.3 per cent, the rates among vulnerable populations, including women are often much higher. Census 2016 data noted that of the 22,495 households in the province that were in core housing need, 56 per cent of those were female.

Within the senior population, female-led households accounted for 67 per cent of those in core housing need. Almost 43 per cent of lone-parent-female-head of households experienced core housing need. The gendered experience of core housing need continues for single female renters living alone as 39.5 per cent experience core housing need. Census 2016 identified 1,340 female lone-parent households, and 3,100 female one-person households in severe core housing need. Severe core housing need means not being able to access adequate, affordable, and suitable housing without spending 50 per cent or more of before-tax household income on housing.

NLHC rental programs will continue to provide affordable housing options to women and women and children. In 2021-22, 66 per cent of households living in NLHC's housing units or supported with NLHC rental subsidies, were female-led (single parents, single females, including those senior aged). The Canada-NL Housing benefit will further support this subpopulation. Additionally, the new affordable housing construction during this action plan will prioritize women and women and children.

Indigenous Persons

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 and committed to develop distinctions-based Indigenous housing strategies.

Indigenous people are more likely to be in core housing need than non-Indigenous people. In Census 2016 data, Aboriginal-identified households were more likely to report living in homes that are inadequate or unsuitable to their need and 26 per cent of Indigenous households that rent, report core housing need. While the Census, and measures of core housing need are important indicators of need, it is important to acknowledge that they do not capture the deeper and more profound instances of homelessness. The experience of the homeless in the Happy Valley-Goose Bay (HVGB) area of Labrador is an example of the disproportional impacts on the Indigenous population. While HVGB has a population of 8,100 or 1.6 per cent of the province's population, NLHC's 2021-22 shelter data reports that HVGB represents 21 per cent of the province's shelter users. Further, front line service delivery organizations in HVGB report over 90 per cent of shelter users self-identify as Indigenous.

NLHC is strengthening processes to work in greater alignment with Indigenous and community partners to ensure social housing applications and critical social and support measures are mobilized to the most vulnerable and at risk. Community partners such as the Nunatsiavut Government, operator of the Out of the Cold shelter; Mokami Status of Women, operator of eight supportive housing units; Libra House women's shelter and second stage housing operator; and the Labrador Friendship Center, are key partners in these initiatives. Additionally, access to the Canada-NL Housing benefit as well as new affordable housing construction during this action plan will include prioritization of Indigenous persons.

Seniors

The population of Newfoundland and Labrador is aging rapidly. As of July 1, 2021, 23 per cent of the provincial population is 65 years of age or older. The province's median age has gone from five years lower than Canada's in 1971 to nearly seven years higher than Canada's in 2021. Rapid aging of the population is a key demographic challenge confronting the province because of its significant implications for the delivery of programs and services. As the number of seniors grows, how government supports low income seniors will evolve, with a continued focus on assisting them to remain healthy and independent. The 2016 census data reports that of the 61,220 senior led households, 11.6 per cent are in core housing need.

Seniors represent a significant client group accessing NLHC programs and services including our rental properties (24 per cent), partner-managed community housing (80 per cent), rental assistance benefit programs (57 per cent), and home repair (94 per cent) and home modification programs (90 per cent).

It is expected that as the number of seniors in this province increases, so too will the 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 approach to addressing homelessness. NLHC's social housing expansion efforts will increase the number of accessible and energy efficient units, as well as focus on the creation of units in better proximity to health facilities, public transit, and other key services and amenities of importance to seniors. Expansion of the Canada-NL Housing benefit over this plan will provide additional access to affordable housing options for seniors.

Housing affordability challenges for seniors who own their own homes is also a major focus for the Province. With limited or no rental market in many rural communities, NLHC home repair and accessibility modification programs are important housing affordability measures to support low-income seniors' age-in-place in their homes. Continued investment in these important programs during this plan will enable repairs and modifications on over 1,100 homes.

Youth

Age matters when considering homelessness. The needs of young people, particularly young people with lived and living experiences of homelessness, are distinct from adults. The Canadian Observatory on Homeless Youth defines homelessness as the situation and experience of young people between the ages of 13 and 24 who live independently of parents and/or caregivers, but do not have the means or ability to acquire a stable, safe, or consistent residence. As a point in time measure, on March 1, 2022, NLHC's shelter data reported that nineteen of the 195 individuals accessing the emergency shelter system were youth, representing just under 10 per cent of shelter users.

Youth homelessness is a complex social issue. In addition to experiencing economic limitations and a lack of secure housing, many who are homeless lack the personal experience of living independently and may be in the throes of significant social, physical, emotional, and cognitive development. The commonalities that frame the experience of youth experiencing homelessness and adults is the lack of affordable housing and system failures, however, unlike most homeless adults, young people leave homes defined by relationships (both social and economic) in which they are typically dependent upon adult caregivers. For these reasons and others, youth-based strategies and interventions that address the needs of young people between the ages of 13-24 need to be distinct from those developed for adults who experience homelessness.

The Provincial Government recognizes the need to support creative and innovative solutions to address youth homelessness, including access to safe and stable long-term housing. Community-based partnerships, co-habitation models, constructing affordable housing and, where feasible, reconfiguring existing single-family housing to one or two bedrooms, and providing access to the Canada-NL Housing benefit will help create affordable housing options for low-income youth and young adults.

Persons with Disabilities

Accessibility is a key factor in the development of safe, suitable and affordable housing. The 2018 Research Insight publication by CMHC examined housing conditions of persons with disabilities using data from the 2012 Canadian Survey on Disabilities. Some 3.8 million Canadians, or nearly 14 per cent of the population aged fifteen or older, reported having a disability in 2012, and their likelihood of being in core housing need was more than 60 per cent higher than for those without disabilities.

In 2012, 8,400 persons with disabilities, or 14.1 per cent, were living in households in core housing need in this province compared to 23,400 persons without disabilities or 6.6 per cent. This is consistent with the trend reported in Census 2016 which noted over 25 per cent of households in core housing need in this province included a resident with a disability.

The Research Insight publication notes the per cent of persons with disabilities in core housing need and living in subsidized housing was higher at 50.9 per cent than those in core housing need not living in subsidized housing at 43.8 per cent. Income disparities are further pronounced when comparing the experiences of disability and income. Persons with disabilities are one of the population groups most at risk of living in poverty. The 2017 Canada Survey on Disabilities highlights the correlation of poverty and severity of disability, noting that income levels for persons with disabilities are half that of persons without disabilities. Prioritizing housing accessibility with modernizations and more accessible units with universal design features, help address the demand and range of accessibility needs. The 2017 data highlights that 6.2 million Canadians nation-wide report living with a disability.

NLHC intends to focus on accessibility by working with community groups to prioritize social housing accessibility improvements that will help to address the growing demand and range of accessibility requirements in Newfoundland and Labrador. Investments in the Home Modification program will continue to support the accessibility needs of low-income homeowners. The Canada-NL Housing benefit will expand affordable and accessible housing options for persons with disabilities. New construction of affordable housing under this Action Plan will exceed accessibility standards and repairs to social housing units will include accessibility and universal design features that will better meet the needs of tenants today and into the future.

Social Housing Waitlist

Another indicator of housing need in the province is NLHC's social housing waitlist. The waitlist across the province has continued to steadily grow year over year, with a marked increase from 1,474 in March 2021 to over 1,918 in March 2022, representing a growth rate of 30 per cent. While there has been modest growth in the waitlist in most areas of the province, the most significant growth is in the greater Avalon area, which comprises over 48 per cent of all waitlisted applicants. This highlights the need for targeted housing investments to respond to this demand.

The waitlist also reflects the changing demographics of the province. Most NLHC units were built 40-60 years ago and are comprised of 3-4 bedrooms to accommodate traditionally larger families. However, today, 90 per cent of applicants are seeking 1-2 bedrooms; whereas only 20 per cent of our social housing stock consists of 1-2 bedrooms. NLHC's expansion plans under this Action Plan will be designed to address this challenge through a combination of new construction and, where feasible, reconfiguration of existing units.

Transition Houses and Emergency Shelters

The lack of affordable and appropriate housing is most acute among those experiencing or at risk of homelessness. Like other jurisdictions, homelessness in this province is often the result of systemic or societal barriers including an individual's financial capacity, physical or mental challenges, racism, intimate partner violence, and/or discrimination. For some, the experience of intergenerational trauma further compounds this issue.

Increasingly, provincial and national data speaks to the prevalence of homelessness among vulnerable populations such as persons with disabilities, Indigenous populations and those experiencing complex mental health and addictions issues. Housing options available to those experiencing or at risk of homelessness include transition homes, shelters, supportive living programs as well as NLHC's rental housing and rent supplement programs.

Most recently available program data on individuals accessing transition homes when fleeing intimate partner violence, shows 700 admissions to the ten homes throughout the province in 2020-21. Emergency shelters also provide immediate housing to individuals experiencing homelessness. In 2021-22, 987 unique clients were served by shelters province-wide, with the majority in the St. John's area. Point in time data reports that the number of individuals in shelters has almost doubled from 104 in March 2021 to 206 in March 2022.

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 also 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.

Provincial efforts to address housing and homelessness are most effective when guided by a Housing First philosophy. 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

Homelessness is seldom caused by a single factor, suggesting that it cannot typically be ended by one program or approach. Preventing and ending homelessness requires a client-centered approach with coordinated and cross cutting actions that engage the mandate, expertise and resources of a wide range of community and government partners, as well as careful examination and responses to the underlying factors contributing to homelessness.

Supply of Affordable Rental Housing

Social Housing Stock

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 the private rental market. 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-geared-to-income housing. In later years of the bilateral agreement, covering the period 2025-28, funds under the Bilateral Agreement increase significantly.

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 between CMHC and NLHC as of April 1, 2019. As of that date, 5,957 of the units within the Public Rental Housing and Partner Managed Housing programs were 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.

Through investments under 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 back to a condition that provides adequate and affordable housing options for households in need. Investments will also support new construction, expanding the supply of affordable housing throughout the province. Additionally, the Canada-NL Housing Benefit will expand support to low-income households that face affordability challenges in accessing private market rentals.

In many communities in Newfoundland and Labrador, the supply of affordable and social housing is extremely limited. In these communities, under this plan, the Province’s primary approach to address core housing need is providing financial assistance through repair programs for low-income homeowners. Supporting low income seniors to age in place is an effective way to meet their housing needs and support the sustainability of rural communities.

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.

Market Vacancy Rates

Canada Mortgage and Housing Corporation's October 2021 Rental Market Survey highlighted a tightening market throughout the province. The overall provincial vacancy rate decreased significantly from 7.2 per cent in October 2020 to 3.4 per cent in October 2021, with the average rent increasing from \$851 to \$883 over this same period.

Vacancy rate decreases were experienced in each of the four main urban centres throughout the province between October 2020 and October 2021 as follows:

- St. John's - 7.5 per cent to 3.1 per cent, with an average rent of \$954
- Gander - 8.4 per cent to 7.2 per cent, with an average rent of \$674
- Grand Falls-Winsor - 9.9 per cent to 3.6 per cent, with an average rent of \$740
- Corner Brook - 2.8 per cent to 1.4 per cent, with an average rent of \$766

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

Even with rental subsidies available, the overall tightening rental market has compounded the challenges of accessing affordable housing options, even more so when trying to secure housing for clients with complex needs.

Consultations

NLHC works closely with and engages departments and the community sector on an on-going basis to understand and address the housing needs throughout the province. The COVID-19 pandemic has had a disproportionate impact on marginalized persons, including low-income individuals and families, individuals experiencing mental health and addiction issues, and those experiencing or at risk of homelessness or who are precariously housed. The pandemic has further highlighted the importance and need for more safe affordable housing, including appropriate responses along the full housing continuum. On-going dialogue with departments, health authorities, and community partners throughout the pandemic have proven insightful in the development of this Action Plan and included, for example:

- During the summer of 2020, NLHC, in partnership with the Department of Health and Community Services (HCS) and Eastern Health, conducted a series of dialogue sessions with organizations engaged in the housing and homeless serving sector to better understand current experiences with harm reduction and the growing need for low barrier shelter services. These sessions greatly informed the design and programming of a new low-barrier permanent shelter scheduled to be constructed during the period of this Action Plan. These sessions also highlighted the importance of wrap around supports to secure and maintain housing and the need for more transitional and

supportive housing. Investments under this Action Plan will see an expanded response for transitional and supportive housing.

- Throughout 2020-21, NLHC conducted a series of one-on-one stakeholder engagement sessions with community agencies to explore priorities, future directions, and opportunities for partnership. Many of these organizations highlighted their goals for the expansion of affordable housing and the need for funding partnerships with the provincial and federal governments to achieve this goal.
- Planning sessions and on-going engagement with End Homelessness St. John's (EHSJ), the designated entity for the federal Reaching Home: Canada's Homelessness Strategy Urban funding stream in the province.
- Ongoing partnerships and engagement with community agencies to support better coordination of services and supports for those experiencing homelessness. Throughout the pandemic, NLHC has worked in close partnership with EHSJ, HCS, Eastern Health and a wide range of community organizations under the auspices of the COVID-19 Housing and Homelessness Working Group (Vulnerable Persons Task Group). NLHC also built upon many existing partnerships including, for example, with Connections for Seniors, John Howard Society, Homestead, and Stella's Circle to further support improved housing stability for those experiencing or at risk of homelessness. Outside the St. John's area, NLHC has strengthened partnerships with Reaching Home designated entities, which mobilize federal funding to prioritize community responses to homelessness. NLHC will continue to work closely with the Town of Grand Falls Windsor (Rural and Remote Stream) and the Labrador Friendship Centre (Indigenous off reserve Stream) to support greater alignment and shared priority setting across Reaching Home projects.
- Through participation on the Community Action Team in Happy Valley-Goose Bay, there is regular and ongoing engagement with other provincial government departments, Indigenous governments and organizations, the municipality, Regional Health Authority, RCMP and other community partners to identify and support the needs of individuals experiencing or at risk of homelessness.

Use of Funding

Under the Bilateral Agreement, cost-shared provincial and federal CMHC funding of **\$345.0 million** is focused on the following three initiatives which support provincial priorities and the broader outcomes of the National Housing Strategy:

Initiative 1: Canada Community Housing Initiative

Initiative 2: Newfoundland and Labrador Priorities Initiative

Initiative 3: Canada-Newfoundland and Labrador Housing Benefit

Canada Community Housing Initiative

The Canada Community Housing Initiative is intended to help address the funding decline for housing units under operating agreements that would have expired under the Social Housing Agreement. Through the NHS, reinvestment in this critical housing infrastructure will ensure low-income families continue to have access to this existing safe and affordable housing.

The NHS has set targets for social housing in Canada that would see 100 per cent of the number of units under the Social Housing Agreement as of March 31, 2019 preserved to March 31, 2028, while also targeting repairs to 20 per cent of existing units and a 15 per cent expansion of social housing. Newfoundland and Labrador's Bilateral Agreement establishes the following targets to be achieved through the Canadian Community Housing Initiative by March 31, 2028:

- 5,957 social housing units continue to be available for low-income tenant households (100 per cent of baseline preserved);
- 1,192 social housing units repaired (20 per cent repair target); and
- 894 units to be added to the baseline number of housing units (15 per cent expansion target).

NLHC is the largest landlord in the province and, along with various non-profit and cooperative housing providers, provides affordable housing options to those in greatest need. As the existing housing stock was built 40-60 years ago, on-going capital investment is required to repair and prevent deterioration of this important public asset and ensure its long-term sustainability. NLHC also recognizes that investments in energy efficiency improvements, as well as accessibility modifications to better serve the province's aging population, are key elements in the long-term sustainability of its housing stock.

During Action Plan 2022-23, through initiatives funded by the Canada Community Housing Initiative, the federal and provincial governments will allocate a combined **\$19.00 million** for the preservation, repair, and expansion of social housing, as well as energy improvements. Additional details on these initiatives are outlined in this section:

Table 2: Canada Community Housing Initiative

| Initiative | 2022-23 Spending |
|------------------------------------|---------------------|
| Social Housing Preservation | \$9,086,700 |
| Social Housing Repairs | \$4,840,700 |
| Social Housing Expansion | \$4,871,500 |
| Social Housing Energy Improvements | \$200,000 |
| Total | \$18,998,900 |

Social Housing Preservation

Without federal reinvestment through the NHS, over the period 2019-2028, operating agreements for 1,986 of social housing units in Newfoundland and Labrador would have expired as federal support for the operation and maintenance of these units declined under the Social Housing Agreement. During the timeframe of Action Plans 2020-22 and 2022-23, funding would have declined by \$7.39 million, negatively affecting the operations of 362 units.

The contributions to the operations and maintenance of this social housing stock baseline of 5,957 units during 2022-23 is **\$9.09 million**. This cost-shared investment in the baseline ensures no units scheduled for expiration during 2022-23 under the Social Housing Agreement, including those of our provincial partner-managed housing providers, will be removed from the rent-geared to income housing stock.

Social Housing Repairs

NLHC is committed to continued investment in repairs to prevent the deterioration of existing affordable housing stock. During 2022-23, federal and provincial funding of **\$4.80 million** is allocated for repairs under the Canada Community Housing Initiative. These investments will allow NLHC to complete exterior and/or interior upgrades to nearly 450 existing units.

Investments are particularly important for units that have been vacant for an extended period due to the significant repairs required to make them once again available for occupancy. Such an example is the recent \$2.0 million contract awarded for the exterior renovations of eighteen of NLHC's existing social housing units in Labrador West, which includes the interiors of eight long-term vacant units. These units will undergo major exterior renovations including replacement of doors, windows, vinyl siding, roofing, as well as new exterior lighting and exterior wooden stair entrance. Energy efficiency upgrades include exterior insulation, increased attic insulation, and new heat recovery ventilation systems in all units with installation of new interconnected smoke learning systems for exterior renovated doors and windows to enhance safety.

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. These units have been repaired in recent years and while NLHC is committed to utilize CCHI funding for needed repairs to preserve these 75 units as required during the life of the Bilateral Agreement, no funding for repairs has been allocated for 2022-23.

Social Housing Expansion

To contribute to the NHS goal of expanding social and community housing stock by 15 per cent, NLHC will undertake a diverse and multi-faceted approach to delivering on its expansion target of 894 units by 2027-28. This includes new construction of social and community housing, as well as significant upgrades and investments in the renewal of units under operating funding agreements that had already expired prior to the NHS.

During the 2022-23 Action Plan, **\$4.87 million** will be invested for expansion of affordable housing under the Canada Community Housing Initiative. Key initiatives include:

- Construction of 36 new NLHC units on its existing vacant land in the Pleasantville area of St. John's. This initiative will assist in addressing the waitlist for those in core housing need. The design includes one and two-bedroom units with accessibility and energy efficiency features to address the changing demographics of NLHC clients. Construction of the 36 units will be supported through cost-shared provincial and federal investment under the Canada Community Housing Initiative, in conjunction with federal funding under the Rapid Housing Initiative.
- Under the Federal Lands Initiative, NLHC, in partnership with the CMHC and Canada Lands Corporation, finalized agreements in March of 2022 for the transfer of surplus federal land for purposes of constructing affordable housing. This affordable housing project will include a 40-unit NLHC owned building in the Pleasantville area of St. John's. The building will exceed local accessibility and energy efficiency standards and will accommodate potential health and well-being retail space as well as multi use programming space to better serve residents. During 2022-23, further planning, design, and engineering will occur, with construction commencing in 2024. This work will be supported through cost-shared provincial and federal investment under the Canada Community Housing Initiative.
- Funding to leverage and support partnerships with Indigenous partners, municipalities, and non-profit organizations in the housing and homelessness sector to expand community housing and address the diverse needs throughout the Province. This funding will assist in supporting partners in leveraging funding through other funding forums such as the Community Housing Transformation Centre and CHMC's Co-Investment Fund. An example

of such an initiative includes working with Indigenous and municipal governments, along with community partners to plan for a purpose built facility in Happy Valley- Goose Bay that integrates housing, health and supportive services to support individuals experiencing or at risk of homelessness and other vulnerable populations. Additionally, funding will support Habitat for Humanity NL leverage cost-match funding under the National Co-Investment Fund to facilitate their build plan of 10 units over the next several years.

- Construction of a 40-bed low barrier emergency shelter in St. John's. The transfer of responsibility for emergency housing to NLHC in 2018 was intended to improve the integration and delivery of emergency housing services and facilitate movement to more permanent housing options. This was challenged by a lack of low-barrier dedicated shelter space with wrap-around supports. The Gathering Place, a non-profit organization that provides critical services to the most vulnerable, was the successful proponent in NLHC's public request for proposals for a new permanent low-barrier shelter. In addition to this investment under the Canada Community Housing Initiative, through the federal government's Rapid Housing Initiative, a partnership between CMHC, NLHC, and The Gathering Place will also see the expansion of an estimated 56 transitional/supportive housing units. Construction of these 56 units, in tandem with the 40 shelter beds, will offer critical integrated health and social supports to those experiencing or at risk of homelessness.
- The NL Housing expansion target also includes projects to renew units for which Federal operating subsidies expired under the Social Housing Agreement and are not included in the baseline. These units have sat vacant due to their deteriorating condition and require significant upgrades if they are to be included in the portfolio in the future. In 2022-23, NLHC will completed 40 of these renewal projects. In addition, for 2022-23 there are 132 partner managed units that are not included in the 5957 baseline that are expired and are being repaired/renovated to keep them in the social housing stock.

Social Housing Energy Improvements

NLHC housing units include several apartment buildings, as well as many single, semi-detached, and row housing-type configurations. Investment in energy efficiency upgrades assists in reducing energy costs and greenhouse gas emissions and also makes homes more comfortable. During 2022-23, an investment of **\$0.20 million** for energy efficiency upgrades in an estimated 500 NLHC units will be completed. These initiatives include:

- low-cost energy efficiency upgrades (air sealing, insulation, installation of LED bulbs, hot water tank insulation);
- distribution of energy savers kits to tenants;
- installation of heat pumps in apartment buildings;
- upgrades to building envelope, i.e. improved insulation levels, window and door replacement with more energy efficient products and improved air sealing.

Further, any expansion of new affordable housing in 2022-23 will exceed the National Energy Code for Buildings 2015 (NECB) energy efficiency standards by 15 percent. In addition to CCHI investments, NLHC was successful in receiving funding of \$2.4M million under the federal Low Carbon Economy Leadership Fund. This funding will allow for the electric conversions of oil heating systems, oil furnace systems upgrading, insulation upgrades and building envelope energy improvements on 178 NLHC social housing properties. This is anticipated to reduce GHG's by 200 tons and achieve potential energy savings of 5-15 per cent.

In addition to on-site property improvements and equipment upgrades, NLHC will also dedicate resources to an analysis of energy use through energy modelling and consumption data information to optimize improvements and document actual reductions in energy use and green-house gas production.

The energy savings realized through this work will be a key contributor to NLHC's efforts to support social housing sustainability and housing affordability for tenants who pay heat and light.

Newfoundland and Labrador Priorities Initiative

Investments through the Newfoundland and Labrador Priorities Initiative are intended to be responsive to local and emerging provincial housing priorities, while also supporting the broad outcomes and objectives of the National Housing Strategy. During the 2022-23 Action Plan, cost-shared federal and provincial funding of **\$6.61 million** will support a range of provincial priorities with the following allocations:

Table 3: NL Priorities Housing Initiative

| Initiative | 2022-23 Spending |
|---|--------------------|
| Provincial Home Repair and Home Modification Programs | \$5,500,000 |
| Provincial Housing and Homelessness Partnership Fund | \$1,119,700 |
| Total | \$6,619,700 |

Provincial Home Repair and Home Modification Programs

There is a wide range of housing need throughout the province that includes both renters and homeowners. Of the 22,495 households in the province identifying as being in core housing need in the most recently available census, 41 per cent are homeowners. To help address the affordability challenges of low-income homeowners, NLHC provides financial assistance to complete much needed repairs to their homes, make energy efficiency upgrades, or complete

home modifications to improve accessibility. As clients of the home repair programs are predominantly seniors living in rural areas of the province, with the majority being female, these programs also support the benefit of aging in one's home and community, living close to family and friends.

During the current year Action Plan, federal and provincial cost-shared funding of **\$5.50 million** will be invested in these critical home repair programs. With this investment, NLHC will be able to assist approximately 1,100 households, including over 200 households that will benefit from accessibility improvements.

Provincial Housing and Homelessness Partnership Fund

The Provincial Housing and Homelessness Partnership Fund is intended to leverage and support partnerships with the federal government, Indigenous partners, municipalities, and non-profit organizations in the housing and homelessness sector that support NHS outcomes and other provincial housing priorities. This may include capital investments to build, renovate or repair rent-geared to income housing, investments in homelessness supports and services, supports to other vulnerable populations as identified in the NHS, and emerging housing related needs. The first 2020-22 Action Plan included, for example, investments in: homeowner repair programs with Indigenous partners; housing support workers for Indigenous and community organizations to assist individuals experiencing homelessness secure stable housing and related supports; a pilot project for a congregate supportive housing model for seniors with complex needs experiencing homelessness; construction and acquisition of supportive housing units; and renovations and repairs for rent-geared to income housing.

During the 2022-23 Action Plan, NLHC will allocate cost-shared funding of **\$1.12 million** to support varied initiatives under the Provincial Housing and Homelessness Partnership Fund.

Canada-Newfoundland and Labrador Housing Benefit

In the fall of 2021-22, in partnership with CMHC, NLHC launched the new Canada-Newfoundland and Labrador Housing Benefit. This Housing Benefit provides eligible households with a direct-to-tenant portable rental subsidy to support housing affordability within the private rental market. Assistance is structured to cover the gap between the rent a household can afford to pay (calculated as 25 per cent of net household income) and the average market rent in their communities based on CMHC published data. To further support tenants, NLHC provides a listing of landlords for consideration that has been generated through open invitation.

This new Housing Benefit will expand the number of households receiving rental assistance in the private market from 1,800 in 2019, under the current Rent Supplement Program, to approximately 2,400 households by 2027-28, an increase of 33 per cent. As Rent Supplements expire under the Rent Supplement Program, they too will be converted to benefits under the Canada Newfoundland and Labrador Housing Benefit Program.

During the Bilateral Agreement, a total of \$74.39 million of federal and provincial cost-shared funding will be allocated to support approximately 2,600 renters (which considers anticipated turnover) in receiving assistance with rent. During this action plan, **\$8.48 million** of federal and provincial funding is being invested in the Canada Newfoundland and Labrador Housing Benefit Program to increase by 468 the number of new households receiving benefits.

This will allow NLHC to reduce the wait times for households in severe housing need and positively impact target populations, including women who increasingly have caregiving responsibilities and earn lower incomes than men. It also supports the growing number of applicants seeking one-to-two-bedroom accommodations.

Targets and Outcomes

Over the nine-year Bilateral Agreement, total investments of \$345.0 million under the CCHI, the Newfoundland and Labrador Priorities Initiative, and the Canada-Newfoundland and Labrador Housing Benefit will collectively support over 21,800 Newfoundland and Labrador households to access safe, affordable, and adequate housing. Table 4 provides an overview of the expected number of households who will benefit from funding under each Initiative. Table 5 outlines the planned provincial cost-matched funding over the 2022-23 Action Plan for each Initiative.

Table 4: Expected number of households for which Housing need will be addressed by Initiative

| Initiative | Target (Household) | |
|-------------------------------------|--------------------|-------------------|
| | 2022/23 | 2019/20 - 2027/28 |
| Canada Community Housing Initiative | 1,065 | 7,851 |
| NL Priorities Housing Initiative | 1,088 | 11,400 |
| Canada-NL Housing Benefit | 468 | 2,602 |
| Total | 2,621 | 21,853 |

Table 5: Planned Provincial Cost-Matched Funding per Initiative

| Initiative | Planned Cost-Matched Funding |
|-------------------------------------|------------------------------|
| | 2022-23 (\$M) |
| Canada Community Housing Initiative | \$10.06 |
| NL Priorities Housing Initiative | \$2.75 |
| Canada-NL Housing Benefit | \$4.24 |
| Total | \$17.05 |

As outlined in Table 6, NLHC will achieve these targets through significant investments in the construction of new rental housing for low income households, as well as the maintenance of existing affordable housing through both repair and renewal of this existing stock, and ongoing operating subsidies to provincial non-profit housing providers. Table 7 outlines planned funding and indicators for accessible units during this plan.

Table 6: Planned funding and indicators to achieve overall targets during 2022-23 and over the nine-year planning period

| Indicator: Number of households for which Housing Need is addressed | Target (Households) | | | |
|---|-------------------------------|-----------------|---|-----------------|
| | 2022/23 Target and Funding | | 2019/20 - 2027/28 Target and Funding | |
| | # | \$ | # | \$ |
| New Construction (15%) | 270 | \$4.87M | 894 | \$88.31M |
| Repaired/Renewed (20%) | 133 | \$4.84M | 1,192 | \$24.6M |
| <u>Affordability Assistance</u> | | | | |
| Project Based Subsidy | 0 | \$0 | 0 | \$0 |
| Affordability Assistance to the Household | 468 | \$8.4M | 2602 | \$74.4M |
| Total | 871 | \$18.11M | 4,688 | \$187.3M |

Table 7: Planned funding and indicators for accessibility units during 2022-23 and over the nine-year planning period

| Indicator: Housing Units considered accessible ¹ | Target (Households) ² | | | |
|---|----------------------------------|---------------|--------------------|----------------|
| | 2022/23 | | 2019/20 - 2027/28 | |
| | Target and Funding | | Target and Funding | |
| | # | \$ | # | \$ |
| New | 14 | \$4.2M | 50 | \$15.0M |
| Repaired/ Renewed ³ | 223 | \$1.5M | 2,000 | \$13.5M |
| Total | 237 | \$5.7M | 2,050 | \$28.5M |

CMHC and NLHC agree on the following Outcomes, Expected Results and Targets related to the provincial delivered funding under this Agreement for 2022-23 and for the overall nine-year targets across all initiatives as outlined in Table 8.

Through the initiatives and investments described, by the end of fiscal 2022-23, NLHC will maintain at least 5,957 units of social and community housing and 75 Urban Native social housing units, while expanding the housing supply to low-income households by 270. Needed repairs and energy efficiency upgrades will also be completed on an estimated 133 and 200 social housing units respectively. During this Action Plan, repairs and accessibility modifications will also be completed on approximately 1,100 private homes of low-income households. Additionally, under the new portable Canada-NL Housing Benefit, rental assistance to support housing affordability in the private market will be provided to an estimated 468 additional low-income households.

¹ Considered accessible in a building as per the local or national building code.

² These targets are included in Table 6.

³ Private households receiving required repairs.

Table 8: Targets and Outcomes from expected results overall

| Outcome | Expected Results | Target Units | | | |
|---|---|---------------------------------|-------------|--------------------------------------|-------------------------------------|
| | | 2022/23 Target and Funding | | 2019/20 - 2027/28 Target and Funding | |
| | | Units | \$ | Units | \$ |
| Maintain/increase Social Housing supply | Units continue to be offered in Social Housing ⁴ | 662 | \$9,086,700 | 5,957 | \$98.09M |
| | No net loss of Urban Native Social Housing Units ⁵ | 0 | \$0 | 75 ⁶ | TBD |
| | 15% expansion of rent assisted Units ⁷ | 270 | \$4,871,500 | 894 | \$88.31M |
| Repair existing stock | At least 20% of existing Social Housing Units repaired | 133 | \$4,840,700 | 1,192 | \$24.6M |
| | Urban Native units repaired to good condition | 0 | \$0M | 75 | \$0.7M |
| Other Priorities | Social housing units - energy upgrades | 200 | \$200,000 | 3,000-5,000 | \$2.00M |
| Subtotal | CCHI | \$18,998,900 | | | |
| Provincial Housing Priorities | Low-income homes repaired | 1,088 | \$5,500,000 | 10,200 | \$49.84M |
| | Housing Partnership Fund ⁸ | | \$1,119,700 | 1200 | \$7.00M |
| Subtotal | PT Priorities | \$6,619,700 | | | |
| Canada-NL Housing Benefit | Renters receiving assistance | 468 | \$8,478,600 | 2,602 | \$74.4M |
| Subtotal | CNLHB | \$8,478,600 | | | |
| Total | | 2022-23 \$34,097,200 | | | 2019-20/2027-28 \$345.0M |

Pursuant to a commitment for progressive reporting under the bilateral agreement, NLHC has implemented all systems required for timely reporting related to NHS and no flexibilities are

⁴ 2,199 units will expire after the Bilateral Agreement sunsets.

⁵ As of April 1, 2019, all Urban Native units were deemed to be in good condition and repairs will be performed as required. All units are currently supported under the Social Housing Agreement, and the funding represents the annual funding provided to subsidize mortgages on units.

⁶ 75 Units expire after the Bilateral Agreement sunsets

⁷ 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.

⁸ Number of households supported will be dependent on accepted projects under PHHF. NLHC will report annually on the number of households supported.

required. NLHC properties are now classified within its rental housing system as baseline and non-baseline which assists in supporting investment decisions and monitoring progress against established targets. System enhancements have also been made to capture and facilitate reporting of both energy efficiency and accessibility modifications and repairs to units. With respect to the Corporation's home repair programs and the Canada-NL Housing Benefit, NLHC captures data at an individual level that facilitates meeting the reporting requirements of the agreement and claims process but also importantly allows aggregate reporting on demographics. Over the next several years, NLHC will focus priority on building capacity for housing related research in Newfoundland and Labrador, both internally and within our partner community of municipal, Indigenous and non-profit organizations, to better understand and address the diverse housing challenges throughout the province.

Local Employment/Economic Impact

It is also important to acknowledge that there are positive economic impacts for Newfoundland and Labrador as a result of entering into the Bi-Lateral Agreement, including construction jobs for the repair and construction of homes. Over the term of the Agreement, federal and provincial cost-shared investments total over \$345.0 million.

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.

Table 9: Economic Impact

| Economic Impact | | | | | | | | |
|-----------------|---------------|------|-----------------|---------------|------|--------------|---------------|------|
| Direct Impact | | | Indirect Impact | | | Total Impact | | |
| GDP | Labour Impact | Jobs | GDP | Labour Impact | Jobs | GDP | Labour Impact | Jobs |
| \$11.49M | \$8.40M | 93 | \$10.92M | \$6.81M | 124 | \$22.41M | \$15.21M | 277 |

- Stats Canada: Input-Output multipliers, provincial and territorial, detail level. <https://doi.org/10.25318/3610059501-eng>

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.