

Asset Management Framework

For Nova Scotia Publicly-Owned Housing

DEPARTMENT OF MUNICIPAL AFFAIRS AND HOUSING &
NOVA SCOTIA PROVINCIAL HOUSING AGENCY

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NOVA SCOTIA

NSPHA



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Asset Management Overview

Asset management is the process of making decisions about the use and care of assets in a way that considers current and future needs, manages risks and opportunities, and makes the best use of resources.

Asset Management is NOT	Asset Management IS
A single project or plan	An ongoing process
A software program	A set of practices and guidelines for making decisions
A stand-alone solution	Integrated into overall organizational processes
Reactive decision making	Proactive and forward thinking
Prioritizing short-term, immediate solutions over long-term strategy	Long-term, aligned to overall strategy and desired outcomes

1.1 Asset Management for Nova Scotia Public Housing Assets:

Publicly-owned housing assets in this document refers to housing assets owned by Department of Municipal Affairs and Housing ("Department"), including single or multi-unit residential properties and vacant land parcels.

For publicly-owned housing assets in Nova Scotia, Asset Management involves strategic decision making to support long-term sustainability of assets. Asset management is not about routine maintenance or repairs that fall under regular capital planning processes.

Property previously approved by government for repair, divestiture, or any other purpose through other departmental programs or initiatives are also not required to be assessed through the Asset Management framework

Examples:

Example 1: *A public housing property requires a new roof and repairs to external siding.*

This falls under routine repair and is **not included** in asset management.

Example 2: *A public housing property in a rural area has been vacant for many years, in part due to issues with municipal water supply and septic services. Significant repairs to the property are needed, however, repairs will not solve the lack of water availability.*

This property is a **good candidate for Asset Management** to determine the best course of action in the long-term for this property.

1.2 Asset Management Goals:

Goals for Asset Management of publicly-owned housing assets include:

- Build an **informed and transparent decision making process** about the best use of resources.
- Test new and **innovative strategies** to grow and sustain affordable housing.
- Establish **clear roles and responsibilities** to enable effective decision making.

Asset Management Framework for Nova Scotia Public Housing Assets

The Asset Management Framework (“Framework”) is a set of decision making parameters and guidelines. It is intended to provide transparency and clarity on how the Department and Nova Scotia Provincial Housing Agency (“NSPHA”) will manage publicly-owned housing assets and ensure that assets are used in the best possible way.

The Framework includes:

- A description of **asset management options** or streams;
- **Roles and responsibilities** of the Department and NSPHA;
- A **decision making approach** or process, including data that will be collected and considered.

Each of these components are described in more detail in the sections below.

2.1 Asset Management Streams:

Asset Management is comprised of four possible streams: Repair/Reinvest, Build, Transform, and Divest. Building strong partnerships with the community and the housing sector is a fundamental goal within all these streams of work.



Figure 1: Asset Management Framework

Repair /Reinvest:

Involves retaining the asset with a significant investments for repairs to maintain publicly-owned affordable housing.

Ideal Candidates for Repair/Reinvest:

- *Assets in need of immediate and significant repairs in areas of high demand.*
- *Assets that are fulfilling any federal, provincial or municipal agreements for social housing.*

Build:

Involves the creation of new publicly-owned housing units. Options for the build stream include:

- Building new units on existing vacant land owned by the Department.
- Purchasing or acquiring new units.
- Repurposing existing assets (e.g., non-residential buildings) for public housing.

Ideal Candidates for Build:

- *Areas of high demand.*
- *Existing vacant land adjacent to public housing units.*
- *Assets with potential to increase density, but no capacity within community housing providers to take on ownership.*

Transform:

Involves transfer of publicly-owned housing assets with potential for redevelopment or expansion to community housing providers to increase affordable housing capacity.

Key objectives for transform stream include:

- Improve existing public housing to create safe, sustainable, accessible, and welcoming communities.
- Grow meaningful partnerships with all levels of government and the community.
- Ensure benefits for tenants are maximized and impacts are minimized.
- Maintain the same number of Rent Geared-to-Income homes. (Additional note: Rental pricing for public housing is based on household income rather than market rates. This is referred to as 'Rent Geared-to-Income' or 'RGI'.).

Ideal Candidates for Transform:

- *Assets in regions with a high demand for affordable housing, with potential to increase density.*
- *Assets in a poor state of repair that require significant reinvestment or need to be replaced.*

Divest:

Involves the sale or transfer of assets, especially assets that have been chronically vacant or are in an area with low demand for housing. Options to divest include:

- Sale to an existing tenant

- Sale to a community partner
- Transfer to a government partner
- Means-tested sale
- Market sale

Ideal Candidates for Divest:

- *Assets that are in an area with low demand for housing.*
- *Assets that may require significant repairs, or that are missing required municipal services (water, power).*

2.2 Asset Management Governance:

The Department and NSPHA work together collaboratively to make asset management decisions. The Steering Committee and Internal Advisory Group play pivotal roles in the Asset Management program.

The Steering Committee, composed of senior executives from the Department and NSPHA, is responsible for making strategic decisions and providing overall direction for the program. This includes evaluating recommendations, approving key initiatives or advancing the recommendations to the Minister for final approval and ensuring alignment with organizational goals.

The Internal Advisory Group, consisting of representatives from both the Department and NSPHA, supports the Steering Committee by conducting in-depth analysis, developing recommendations, and providing expert insights. Together, these groups ensure that the Asset Management program operates efficiently, effectively, and in line with strategic objectives.

Asset Management Framework – Decision Making Approach

The Framework provides a detailed approach to inform decision making, starting with identification of appropriate assets for asset management through to analysis, decision making, and final approval.

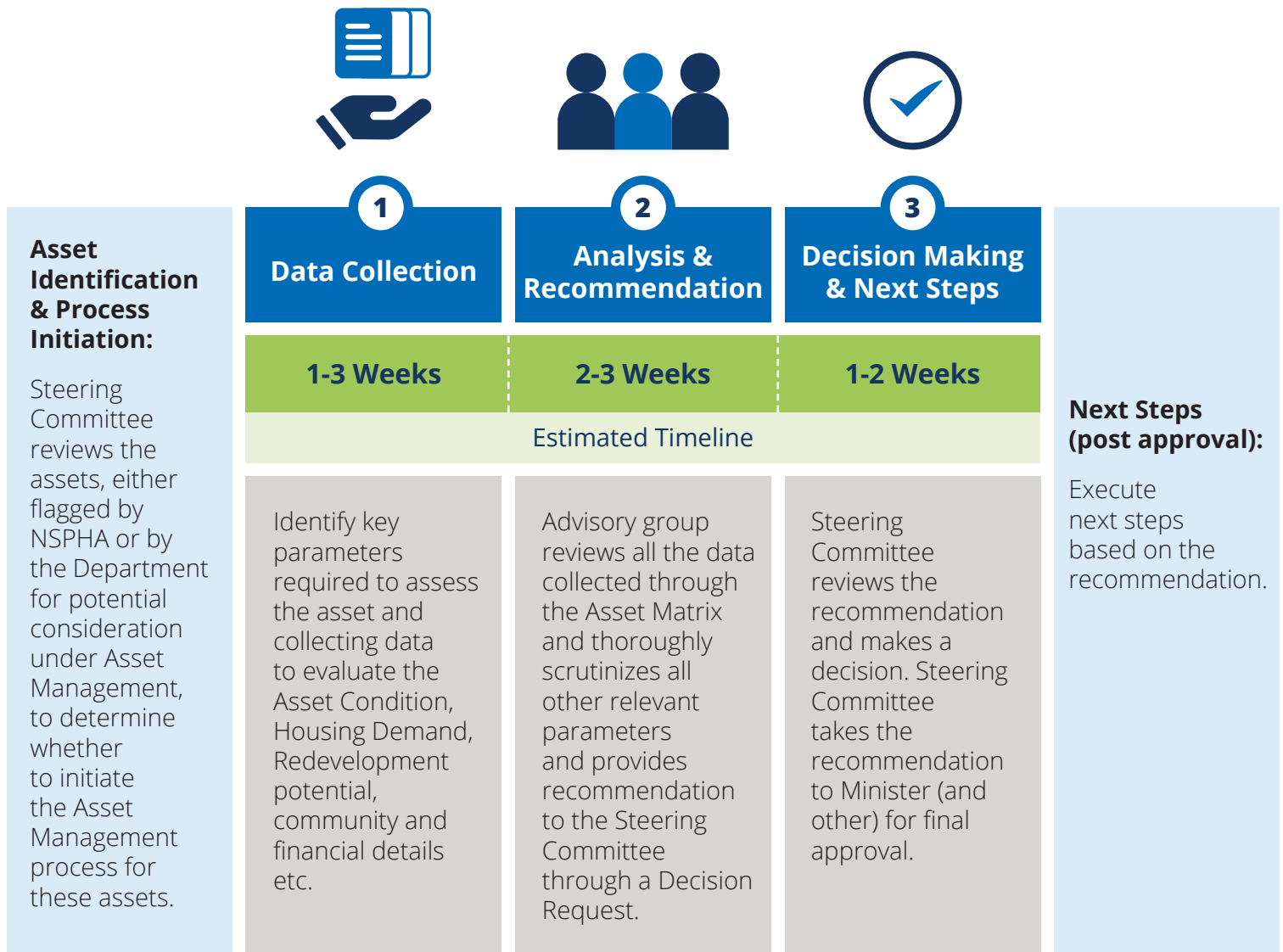


Figure 3: Asset Management Framework- Decision Making Approach

Asset Identification & Process Initiation

The identification of assets is proactive and is meant to identify assets that require attention or strategic intervention to make sure housing resources match needs in a given community. Two example triggers for asset identification are assets flagged by NSPHA during the capital planning process and assets marked for asset management by the Department.

Upon the identification of an asset, the Steering Committee decides if the asset will continue through the Framework for a decision.

Step 1: Data Collection

To inform decision making, data about the asset is collected. The Internal Advisory group identifies what data is needed and collects required data. The table below outlines data parameters that will be considered to support decision making.

Parameters	Description
Asset Characteristics	A thorough and detailed review of the asset, including its condition, valuation, infrastructure components, zoning classification, and insights into redevelopment potential.
Housing & Tenants Needs	An analysis of the local housing demand and community features such as proximity to essential services, demographic composition, and requirements of current tenants and the community at large.
Strategic Housing Priorities	An understanding the current public policy agreements, municipal, provincial and federal strategic plans, funding sources, potential financial implications, and decision-making urgency.
External Factors	An understanding of the capacity of local community housing providers, level of homeownership interest among existing tenants or other external factors.

Table 1: Data Collection Parameters

Step 2: Analysis and Recommendation

Based on information collected in step 1, an analysis is undertaken to determine what asset management streams may be most appropriate.

The initial analysis considers the asset condition and local demand for housing using the Asset Matrix below. A more detailed description of the Matrix is outlined in the following table.

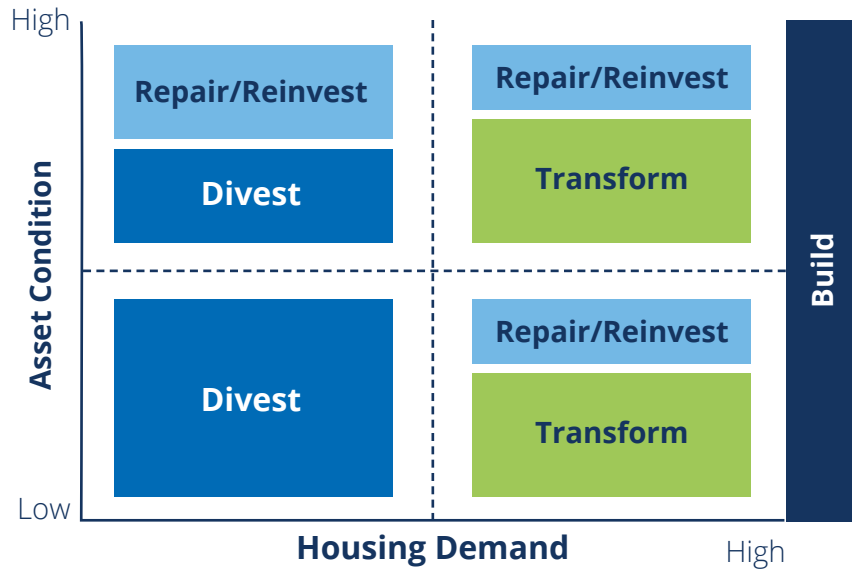


Figure 4: Asset Matrix

*Low represents less Housing Demand and poor Asset Condition, and High represents high Housing Demand and good Asset Condition.

Asset Condition	Housing Demand	Recommendation
LOW	LOW	If the Asset Condition is poor and in an area with low housing demand, recommend Divestiture.
LOW	HIGH	<p>If the Asset Condition is poor but in an area of high housing demand, consider options of Transformation, Repair / Reinvest, or Build.</p> <p><i>If high redevelopment and density potential:</i> Recommend Transformation and / or Build.</p> <p><i>If low redevelopment and density potential:</i> Recommend Repair / Reinvest.</p>
HIGH	LOW	<p>If the Asset Condition is good and in an area with low housing demand, consider the asset type, available stock of public housing in the area, and local needs.</p> <p>If there is a gap in affordable housing, consider repairs or reinvestment to retain the asset. If there is no gap, consider Divestiture.</p>

HIGH	HIGH	<p>If the Asset Condition is good and in an area of high housing demand, consider options of Transformation, Repair / Reinvest, or Build.</p> <p><i>If high redevelopment and density potential:</i> Recommend Transformation and / or Build.</p> <p><i>If low redevelopment and density potential:</i> Repair or reinvest to retain the asset. Consider if opportunity to increase density with investment.</p>
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Table 2: Asset Matrix- Additional Details

To further narrow down asset options, a more detailed analysis of the asset is then conducted. Initial findings are tested by considering other parameters identified in the data collection. The Internal Advisory group provides a recommendation to the Steering Committee.

For Example, If the Asset Matrix shows results of Divest or Repair/Reinvest, further analysis will look at external factors and strategic priorities to decide what option is best.

Step 3: Decision Making & Next Steps

In step 3, the Steering Committee reviews the analysis and recommendation from the Internal Advisory group to make a decision.

The Steering Committee is responsible to recommend a final course of action to the Minister for approval. Further direction and approval may be sought from the Governor in Council, in alignment with the Housing Supply and Services Act.

Next Steps (post-approval)

When a decision has been made and approval to proceed is granted, the Department and NSPHA begin to implement the recommended course of action for the asset.

