

Accountability Report

2016–2017

Housing Nova Scotia
July 2017

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Accountability Statement

The Accountability Report of Housing Nova Scotia for the year ended March 31, 2017 is prepared pursuant to the *Finance Act* and government policies and guidelines. These authorities require the reporting of outcomes against the Housing Nova Scotia Business Plan for the fiscal year just ended. The reporting of Housing Nova Scotia outcomes necessarily includes estimates, judgments and opinions by Housing Nova Scotia management.

We acknowledge that this Accountability Report is the responsibility of Housing Nova Scotia management. The report is, to the extent possible, a complete and accurate representation of outcomes relative to the goals and priorities set out in the Housing Nova Scotia 2016-2017 Business Plan.

Original signed by

Honourable Kelly Regan
Minister responsible for Housing Nova Scotia

Original signed by

Dan McDougall
President and Chief Executive Officer, Housing Nova Scotia

Message from the Minister and Chief Executive Officer

We are pleased to present the 2016-2017 Accountability Report for Housing Nova Scotia. Many of our accomplishments last year helped to position the Province to address emerging challenges and to leverage strategic opportunities. These include: the growing demand for affordable housing; the need to address the sustainability of our public housing stock; preparing for the expiry of existing federal agreements; leveraging new federal funding through the Social Infrastructure Fund agreement; working at a Federal / Provincial / Territorial level to influence and provide input for the upcoming National Housing Strategy; and to work with partners to develop innovative affordable housing options.

In advancing its commitment to help lower-income Nova Scotians find safe, affordable and suitable housing, in 2016-2017 Housing Nova Scotia focused its efforts on: increasing affordable housing opportunities for lower-income families, seniors, and persons with disabilities; making strategic investments to help preserve and maintain the social housing portfolio; and, collaborating with partners to break the cycle of homelessness for the most vulnerable citizens.

New funding announced by the federal government in Spring 2016 has enabled Housing Nova Scotia to direct strategic investments to areas of highest need. These investments and collaboration with private and not-for-profit sector partners are starting to pay off. We have reduced the public housing wait list by 10 per cent since March 2015 through the creation of new rent supplements and affordable housing units, and we plan to further reduce the public housing waitlist in 2017-2018. As of March 2017, 110 new rent supplements were created across the province in the private rental market or in co-operative housing.

A significant focus in 2016-2017 was preserving and maintaining provincially-owned subsidized housing units, which represent more than 12,600 homes. Funding commitments included, for example, \$5 million to revitalize Mulgrave Park, a residential neighbourhood in the north end of Halifax.

In 2016-2017, Housing Nova Scotia also assisted over 2,600 low-income households with necessary health - and safety - related home repairs and adaptations. Of these households, 1,126 were seniors or persons with disabilities. Housing Nova Scotia also continued to partner with federal, municipal and non-profit organizations to help transition homeless individuals or individuals at risk of homelessness into long-term housing options.

This has been a very positive year and we're looking ahead as we continue to meet the needs of our most vulnerable citizens. We would like to thank the staff for their dedication and commitment to the work they do on behalf of Nova Scotians.

Original signed by

The Honourable Kelly Regan
Minister responsible for Housing Nova Scotia

Original signed by

Dan McDougall
President and Chief Executive Officer, Housing Nova Scotia

Introduction

The annual Accountability Report for Housing Nova Scotia reports on the progress achieved by the organization towards the outcomes and financial targets established in the 2016-2017 Business Plan. The 2016-2017 Business Plan is available on the Housing Nova Scotia website at <https://housing.novascotia.ca/Publications>.

Reporting on Key Actions

This section highlights accomplishments against strategic actions outlined in the 2016-2017 Business Plan.

Contribute to the preservation of the existing supply of affordable housing and the creation of new affordable housing options.

Housing Nova Scotia met this commitment in 2016-2017 by leveraging new federal funding provided in Spring 2016 under the two-year Social Infrastructure Fund (SIF). This funding comprises approximately \$75 million in new money, which includes both Federal and Provincial funding. A significant portion of the federal funding is targeted toward affordable housing for seniors, new construction and renovation funds for organizations that assist victims of domestic violence, and retrofit and renovation for social housing. Highlights of 2016-2017 investment commitments in Nova Scotia include:

- \$4.3 million to support the construction of affordable housing for seniors. This included capital contribution for new rental units from up to \$25,000 to up to \$50,000 per door.
- \$3.5 million to projects supporting victims of domestic violence (\$5.4 million investment overall for 2016-17 and 2017-18). \$3 million was committed to replacing Bryony House, a 24-bed shelter in Halifax. Through a proposal process, funding for three other projects was committed. Two of these projects have been announced - Autumn House and Mi'kmaw Native Friendship Centre - and a third will be announced in 2017-2018.
- \$18.2 million to support necessary capital repairs to the Province's social housing stock, including \$5 million for exterior repairs and upgrades to Mulgrave Park in North-end Halifax, and fire safety upgrades to family high-rise buildings.

In addition to these investments, in 2016-2017, Housing Nova Scotia leveraged cost-shared funds under the SIF Agreement and the Investment in Affordable Housing Agreement to improve the living conditions of over 3,000 households – families, seniors, persons with disabilities and individuals living alone. This included:

- Helping 1,500 low-income households with necessary health and safety-related home repairs and 1,126 seniors and persons with disabilities with home repair or adaptations
- Creating/preserving 418 affordable rental units located throughout the province

- Creating 110 new rent supplements to house households on the public housing waitlist and to support the transition of users of emergency shelters to more stable housing options. As of March 31, 2017, this brings the total number of rent supplements funded by Housing Nova Scotia to 1,410.
- Funding upgrades to 306 units in transitional housing for victims of domestic violence

Preserve and maintain social housing stock through investments from the Deferred Federal Contribution.

In 1997, the Province of Nova Scotia entered into the Social Housing Agreement (SHA) with the Government of Canada. Under the Agreement, the Province can keep unspent federal funds in a Deferred Federal Contribution (DFC). In September 2014, the Province announced planned investments of \$41.4 million from the DFC would be invested over a five-year period to: provide up to \$24,000 per unit to upgrade affordable housing provided by Housing Cooperatives; create 300 rent supplements for a 10-year commitment period; and upgrade and revitalize family and seniors' public housing. These funds have been fully committed; some projects will be completed in 2018-2019.

Continue to explore opportunities for targeted neighbourhood revitalization in communities throughout Nova Scotia.

Housing Nova Scotia continued to advance the Neighbourhood Improvement initiative, through which eligible home owners and landlords in designated communities can apply grants for minor exterior property improvements. The maximum grant for homeowners is \$3000; landlords may receive grants from up to \$2000 per unit to a maximum of \$5,000, which must be cost-shared.

In 2016-2017, the residential area surrounding downtown Amherst was designated for this initiative, complementing the Town's commitment to improve its downtown commercial area. Approximately 100 property owners were eligible for assistance in 2016-2017. Nine grants were approved – four to homeowners and five to landlords, with an average grant of \$2,435 and \$3,681 respectively. As of the end of 2016-2017, there were four designated neighbourhoods: Alice Street, Truro (June 2013); New Aberdeen, Glace Bay (May 2015); Main Street, Yarmouth (August 2015); Main Street, Amherst (May 2016).

In collaboration with the Halifax Housing and Homelessness Partnership, support the Housing First project and the commitment to end homelessness in HRM by 2019.

In 2016-2017, Housing Nova Scotia collaborated with the Halifax Housing and Homelessness Partnership on the following activities:

- Advancing the Partnership's Community Plan for Homelessness.
- Supporting the Halifax Housing First project by funding rent supplements. The project helps chronic and episodic users of emergency shelters transition to more permanent housing options. As of March 2017, Housing Nova Scotia is funding 37 rent supplements through this initiative.

- Providing financial support for the Housing Support Worker Program, which provides emergency shelter providers in the Halifax area with funds to hire a housing support worker. Housing Nova Scotia also invests in rent subsidies to support the activities of these workers. In 2016-2017, 14 new rent subsidies were allocated to Halifax area shelter providers for this program.

Explore and look for opportunities to pilot affordable home ownership programs that will target first-time homebuyers.

In 2016-2017, Housing Nova Scotia worked with the Department of Justice and CMHC to complete plans for the implementation of a new down payment assistance program, to support first time home buyers in purchasing their own modest home. In 2016-2017, a commitment for a one-year pilot was approved and the down payment assistance program commenced in May 2017. The objective is to help approximate 100 to 125 modest-income households buy or build their first home.

Support more effective and efficient core service delivery through operational effectiveness and improvement.

To ensure that Nova Scotia is positioned to meet emerging issues, Housing Nova Scotia initiated an internal strategic review focused on modernizing delivery of services, enhancing capital planning, maximizing resources and structure, and leveraging opportunities with partners. The initial phase is focused on public housing, with following phases to focus on co-operative housing, affordable housing, homelessness, and home ownership.

Support more effective and efficient core service delivery through sustainability and efficiency.

In 2016-2017, Housing Nova Scotia initiated several projects that contribute to the sustainability and efficiency of the public housing stock. These include: developing an energy consumption baseline for the public housing stock; investigating opportunities to leverage existing programs and partnerships, including those with Efficiency Nova Scotia and Clean Nova Scotia; and two pilot projects to examine new technologies that contribute to reductions in energy consumption.

In addition, in 2016-2017 Housing Nova Scotia completed three affordable housing projects that were built to passive house standards. The projects were located in Truro (2 unit, single-family duplex), Hebron (9-unit residential building), and Amherst (2-unit, single family duplex). These homes will help Housing Authorities save on energy costs and reduce their carbon footprint. The passive house building concept adapts conventional construction materials and techniques to reduce energy needs. Homes built to a passive house standard can save up to 85% in heating costs over conventional building standards. The project in Truro received two awards, including the Efficiency Nova Scotia Innovation Award.

Support more effective and efficient core service delivery through leveraging partnerships.

Partnership is an integral aspect of Housing Nova Scotia's day to day program and service delivery. For example, new rental housing and rental preservation programs rely on partnering with private and not-for-profit sector developers and landlords.

In 2016-2017, Housing Nova Scotia focused efforts on building partnerships that incorporate innovation, best practices, and efficiencies into existing program delivery. Accomplishments include:

- Met regularly with Efficiency Nova Scotia to share program information and collaborated on revisions to broaden the scope of the 2014 joint Memorandum of Understanding.
- Worked with Clean Nova Scotia via referrals from Efficiency Nova Scotia and explored options to develop a closer working relationship.
- Continued participation on the Halifax Housing and Homelessness Partnership. This included funding rent supplements for the Halifax Housing First initiative.
- Provided a \$175,000 capital contribution to Habitat for Humanity for the construction of seven homes located in Halifax, Bridgewater, and Oxford. Housing Nova Scotia continues to explore opportunities to partner with Habitat for Humanity to build new affordable housing.

Financial Results

| Housing Nova Scotia (HNS) Estimated & Actual Expenditures For the Year Ending March 31, 2017 | | | |
|--|--|---------------------------------------|--|
| Program & Service Area | 2016-2017 Estimate (\$thousands) | 2016-2017 Actuals (\$thousands) | 2016-2017 Variance (\$thousands) |
| Funding Source: | | | |
| Revenue from government sources | 116,842 | 132,646 | 15,804 |
| Revenue from rents | 57,301 | 57,546 | 245 |
| Interest, revenue from land sales and other revenue | 34,774 | 35,192 | 418 |
| Total: Funding Source | 208,917 | 225,384 | 16,467 |
| Expenditure Source: | | | |
| Interest on long-term debt | 41,512 | 37,969 | (3,543) |
| Property management and operation | 61,695 | 64,361 | 2,666 |
| Maintenance and capital improvements | 38,720 | 39,024 | 304 |
| Housing renovation and affordable housing | 22,810 | 21,487 | (1,323) |
| Social Infrastructure Fund programs | - | 16,664 | 16,664 |
| Social housing subsidies | 21,980 | 21,078 | (902) |
| Depreciation of investment in social housing | 20,700 | 23,083 | 2,383 |
| Housing Strategy | 1,500 | 1,485 | (15) |
| Total: Expenditure Source | 208,917 | 225,151 | 16,234 |
| Annual Surplus | 0 | 233 | 233 |

Funding and Expenditure Variance Explanation:

Housing Nova Scotia revenues and expenses were over \$16 million higher than estimate primarily due to Federal funding for Social Infrastructure programs which was not included in the approved Estimate.

Measuring our Performance

This section provides information on Housing Nova Scotia's progress on the outcomes and targets identified in the 2016-2017 Business Plan.

1. Strategic Operational Improvements

In its 2016-2017 Business Plan, Housing Nova Scotia committed to undertake six strategic operational improvements. The organization also committed to measure progress in implementing these improvements as part of achieving the outcome of efficient and effective delivery of core responsibilities and services. The section below describes progress on these commitments.

[Implement an enhanced capital asset management process and annual reporting template.](#)

A process was developed to integrate, monitor, and assess data from existing database systems that hold facility condition information. This included identifying core indicators used to assess building lifecycle and condition, and developing a ranking system to guide decisions on capital investments in public housing buildings.

[Complete a comprehensive land inventory database identifying properties to hold or pursue for future development.](#)

In 2016-2017, Housing Nova Scotia completed a review to assess each parcel of land and identify it as either surplus to HNS requirements or to be held for potential future use. Fifty-eight (58) parcels were identified as surplus while the remaining 292 parcels are being held for potential development. Work is underway to begin the disposal process for those identified as surplus. This will include completion of internal market value reports or third-party appraisals for each parcel. A comprehensive land inventory is now included within the Capital Asset Management Program database. This will simplify any future management of the land portfolio.

[Bring forward recommendations for changes to improve the effectiveness and efficiency of home repair loan and grant programs.](#)

An extensive internal review was undertaken in 2016-2017. The review identified issues and opportunities to streamline and improve program delivery. Housing Nova Scotia's next steps are to identify options and make recommendations for consideration by Government. Upon receipt of Government direction, Housing Nova Scotia will develop an implementation plan.

[Complete a review and bring forward recommendations for any required changes to the governance structure or operating framework to improve efficiency and effectiveness in delivering our mandate and programming.](#)

Housing Nova Scotia initiated an internal strategic review in Summer 2016. The project has been divided into five phases, each focused on a program area: public housing; social housing and co-operative housing; affordable housing; home ownership and homelessness. Work in 2016-2017 focused on Public Housing, with recommendations being developed in three priority areas: rent supplement program, enriched housing, and additional support services for clients.

Consultation sessions were hosted across the province to engage Housing Nova Scotia staff. Throughout the project, operational changes will be adopted to improve client service while strategic policy recommendations are under development.

Establish an energy consumption baseline.

An energy consumption baseline was developed from available data using a random sample of specific building types within the public housing portfolio. It includes data for electricity, oil and natural gas utilities. This baseline should enable Housing Nova Scotia to compare and analyze energy consumption from 2016-2017 onwards.

Identify and launch pilots for two new technologies aimed at reducing energy consumption.

Housing Nova Scotia piloted two new technologies in 2016-2017. Both projects will be evaluated after one year. The first project, a Photo-Voltaic (PV) System, converts sunlight into electricity. A pilot system has been installed in a 30-unit senior housing facility in Halifax to help offset the building's energy consumption. Housing Nova Scotia will compare the energy consumption in 2017-2018 with the previous year, and evaluate results. The project will also help develop in-house expertise in designing future projects.

The second project, an Electrical Demand Control System, is designed to reduce electricity consumption. A pilot project was completed to utilize improved technology to upgrade an existing heating system in a 65-unit electrically heated seniors housing facility. The building's 2017-2018 energy consumption will be monitored and analyzed to identify savings.

2. Performance Measures

The following section provides information on the performance measures included in the 2016-2017 Business Plan. Each measure has a strategic objective that articulates how the measure contributes to implementing Housing Nova Scotia's mandate.

Objective: Contribute to the supply of suitable and affordable rental housing

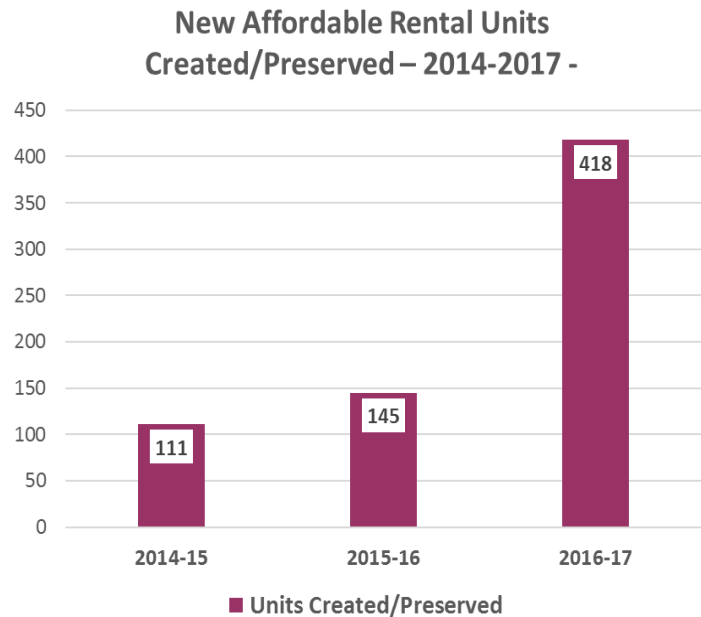
By increasing the supply of affordable rental housing and upgrading the condition of existing affordable rental units, Housing Nova Scotia is improving access to suitable and affordable housing. Having an affordable place to call home is fundamental to the well-being of Nova Scotians.

Measure: Number of affordable rental units created and preserved.

This measure looks at the number of affordable rental units created or preserved through Housing Nova Scotia's programs. In 2016-2017, Housing Nova Scotia partnered with developers and landlords to create or preserve a total of 418 affordable rental units, comprised of 123 new units and 295 existing units.

This was an increase of 273 units compared to the previous year. Additional funding available through the federal-provincial Social Infrastructure Fund (SIF) in 2016-2017 supported this increase.

Of the 123 new units created, 70 were targeted to low income seniors, and overall there were 15 barrier-free units created. Included in the 123 new units is a Housing Nova Scotia 9-unit rental project in the Yarmouth area built to passive house environmental standards. Activity in this area is projected to remain high in 2017-2018 as the remaining Social Infrastructure Funds are committed.



Objective: Continue to support low-income households in Nova Scotia by facilitating access to healthier and safer housing through major health-and-safety-related repairs.

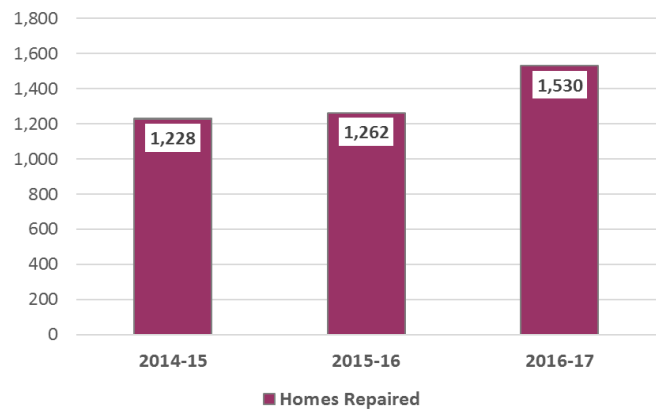
Helping low-income homeowners undertake necessary home repairs improves the condition and sustainability of the existing supply of affordable housing and means that more households have access to safe affordable housing. Necessary home improvements include, for example, upgrading faulty electrical, plumbing, and septic sewer systems.

Measure: Number of homes preserved through major health-and-safety-related repairs.

The measure indicates the number of low-income homeowners who received assistance for necessary health and safety related home repairs. Funding for Housing Nova Scotia’s home repair programs comes from the Canada Mortgage and Housing Corporation - Nova Scotia Investment in Affordable Housing (IAH) Extension Agreement 2014-19 and the two-year federal-provincial Social Infrastructure Fund (SIF).

In 2016-2017, Housing Nova Scotia helped make 1,530 homes safer places to live. This was an increase of 268 over the previous year's activity. Under the Social Infrastructure Fund Agreement, it was possible to enhance repair programs by increasing the amount of assistance available. This had an impact on the number of homeowners assisted. Health and safety related home repair activity is projected to continue at a consistent rate in 2017-2018 as remaining Social Infrastructure Fund monies are committed.

Existing Affordable Homes Preserved Through Needed Health & Safety Related Repairs - 2014-2017 -



Objective: Continue to support seniors and individuals with disabilities by helping to ensure housing is safe and adapted to their needs so they can continue to live independently in their own homes.

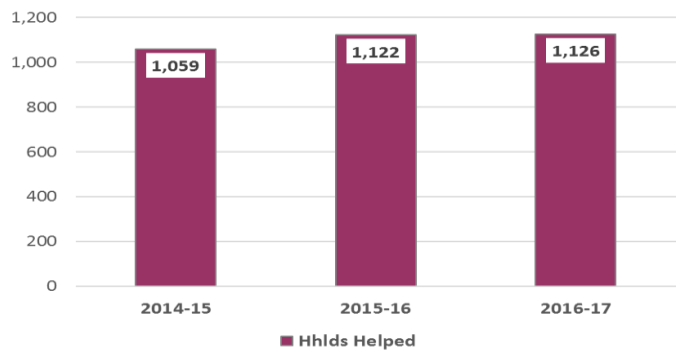
Nova Scotia has the highest rate of persons with disabilities in the country, at 18.8%¹ and one of the highest percentages of the population that is 65 years or older, at 19.9%. In 2011, senior-led households comprised 29.4% of all households in Nova Scotia in core housing need². Housing Nova Scotia invests in programs to help these individuals continue to live independently in their homes.

Measure: Number of households with seniors or persons with disabilities helped by health-and-safety-related repairs or home adaptations that will enable them to continue to live independently in their own homes and communities

This measure focuses on the number of older adults, at least 65 years of age, and individuals with disabilities helped with necessary health and safety-related home repairs and/or home adaptations.

Over the past year, 1,126 households received help. This was consistent with the number of households assisted in the previous year, and an increase since 2014-2015.

Seniors & Persons with Disabilities Helped with Needed Repairs/Home Adaptations - 2014-2017 -



¹ 2012 Statistics Canada.

² A household is in core housing need when it does not meet one or more of the adequacy, suitability or affordability standards, and it would have to spend 30% or more of its income to access housing that meets the three standards. See also CMHC's web page - https://www.cmhc-schl.gc.ca/en/hoficlincl/observer/observer_044.cfm?obsSource=observer-en&obsMedium=link&obsCampaign=obs-20160323-core-need-infographic

Objective: Increase the number of co-operative housing organizations that achieve a ranking of Level 1 or a High Level II based on an annual assessment of their financial and physical condition.

Co-operative housing, owned by members, provides a safe, affordable housing option for low to moderate income households. There are 68 co-operative housing organizations involving approximately 2,485 self-contained units across the province. Housing Nova Scotia is working with co-operative organizations and the Co-operative Housing Federation of Canada to maintain the long-term financial, physical and governance viability of these housing units.

Measure: Per cent of co-operatives under the Social Housing Agreement (SHA) that achieve a ranking of Level I or a high Level II based on an annual assessment of their financial and physical condition.

This measure looks at the overall health of co-operative housing organizations in Nova Scotia. It is based on a review and analysis of each organization's financial statements, building and property reports, and governance documents. The organizations are ranked using a four-point model. Level I is the highest ranking and co-operatives receiving this ranking are considered to be healthy, viable organizations. Those given a Project in Difficulty (PID) ranking, the lowest ranking, have business practice deficiencies that must be improved. Housing Nova Scotia may intervene in the operations of organizations in difficulty to support development of a plan to address concerns.

In 2016-17, 52.4% of the organizations achieved a Level I or High Level II ranking. This is slightly below the target of 54%, but consistent with the previous year when 52.3% of co-operatives achieved the identified rankings.

Housing Nova Scotia continues to work with co-operatives and the Co-operative Federation of Canada to improve the situation of individual organizations. For example, as of March 2017, Housing Nova Scotia had invested \$8 million in 15 projects involving approximately 490 self-contained units in co-operative housing organizations.

Objective: Continue to work to reduce public housing waitlists throughout the province by placing families and seniors in safe, affordable housing.

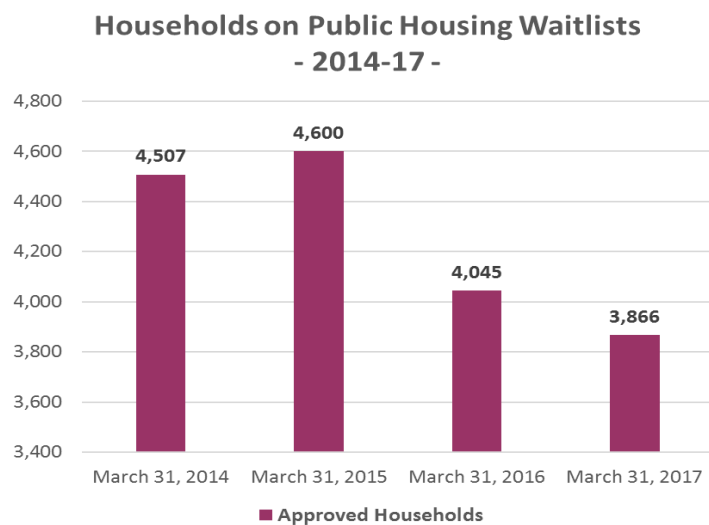
Nova Scotia's housing authorities have long waitlists of eligible low-income households seeking access to affordable housing. Housing Nova Scotia is committed to reducing these waitlists.

Measure: Per cent reduction in the public housing waitlist.

This measure looks at the number of applicants removed from the waitlist by placement in a subsidized unit, by the end of the fiscal year.

In March 2017, there were 3,866 households on the public housing waitlists compared to 4,045 households in March 2016.

This represents a decline of approximately 4.4% from the previous year. Since March 2015, the waitlist has been reduced by 10%. Housing Nova Scotia will continue to reduce the waitlist in subsequent years through tools such as funding new rent supplement units and partnering with private and non-for-profit developers to create new affordable housing units.



Explanatory Note: Discontinued Performance Measure

In its 2016-2017 Business Plan, Housing Nova Scotia committed to monitor the number of Disabilities Support Program (DSP) clients housed by the province's five housing authorities. However, the high level of complex needs of most program clients requires them to live in homes with in-house support services. Provincially-owned subsidized housing is targeted to persons who can live independently, which is not suitable for many DSP clients. Housing Nova Scotia continues to provide housing to Disabilities Support Program clients who are capable of living independently, and will examine measurement options to more accurately assess progress in this area.