

**Nunavut  
Housing  
Corporation**

**Business  
Plan**

*2005-2006*

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## **INTRODUCTION**

The Nunavut Housing Corporation (the Corporation) is a public agency of the Government of Nunavut (GN), created through the Nunavut Legislature by the *Nunavut Housing Corporation Act*. As such an agency, the Corporation is at arms-length from the GN, and its operating boundaries are set out in Part IX of the *Financial Administration Act*, the section specifically devoted to public agencies.

The Corporation reports to the Legislative Assembly, Executive Council and Nunavummiut through its President and the Minister responsible for the Nunavut Housing Corporation. This approach allows the Minister to maximize the effectiveness of the Corporation for the present and future benefit of Nunavummiut.

The advantages to a stand-alone Corporation include:

- The ability to enter into funding partnerships with others, principally the Canada Mortgage and Housing Corporation (CMHC), outside of the GN's financial structure. This means that Nunavut's transfer payments from the federal government are not affected by the funding the Corporation receives;
- The ability to carry over funds from one year to the next, ensuring that funds from all sources designated for housing initiatives remain dedicated to housing solutions; and,
- The creation of an entity that is specifically focused on meeting housing challenges and providing housing solutions using a one-window approach.

### **Our Mission**

*To provide opportunities for all residents of Nunavut to have homes that support a healthy, secure, independent and dignified lifestyle through working with our communities to allow them to assume the role of providing housing to Nunavummiut.*

### **Our Vision**

*To ensure families and individuals in Nunavut have access to a range of affordable housing options.*

### **Our Principles and Values**

The Nunavut Housing Corporation believes in and strives for:

- Placing “human capital” – its employees, Local Housing Organization (LHO) partners, tenants and clients – first when targeting housing solutions for Nunavummiut;
- Recognizing the contribution NHC and LHO staff make to housing in Nunavut and providing them with the proper work environment and tools to enable them to maximize that contribution;
- Making a positive impact on the quality and affordability of housing;

### *Nunavut Housing Corporation*

- Quality of advice, assistance and support to LHO's, other client organizations and agencies, and individuals;
- Quality of property management services for Nunavut's Public and Staff Housing Programs;
- Ensuring housing services and support are provided in an equitable manner;
- Use of Inuit Qaujimajatuqangit (IQ) in Corporation decision-making;
- Building constructive relationships with other governments, agencies, departments, and both community and Aboriginal organizations.

### **Language Services**

The Corporation is proud of its record of serving its clients and Nunavummiut in their language of choice. As a matter of course, all NHC publications (e.g. Annual Report), applications, newspaper and tender ads, promotional material and official stationery (e.g. business cards, letterhead) are produced in all four official languages. Official correspondence is individually tailored to the addressee to ensure they fully understand the Corporation's message – in their native language.

Perhaps most importantly, Corporation staff interacts with Nunavummiut on a daily basis, in their language of choice. As a service-oriented Crown Corporation the NHC, through its Finance, Technical and Program areas spends considerable time in all communities holding face-to-face interviews and consultations. With the assistance of our Local Housing Organizations we ensure that everyone is fully and completely comfortable during these sessions. Simultaneous translation is the norm when in a group setting. One-on-one translation and interpretation is provided if someone needs additional interpretation services over and above the translation offered in the group. .

Yet, more can, and will be done to augment our languages services during 2005 and beyond. Currently, the NHC does not foresee any cost impediments to the implementation of these augmentations as virtually all require the usage of existing Corporation resources or are merely administrative in nature. The NHC will:

- By September 2005 ensure the voice and email signature blocks of all employees are in compliance with the Language Service Guidelines.
- By March 2006 ensure that each NHC job description include a language profile.
- Ensure that a NHC web site, once constructed, complies with the Guidelines.
- By March 2005 ensure that all NHC signs that are not the responsibility of the Department of Community and Government Services comply with the Guidelines.
- By March 2005, maintain up-to-date staff lists in all of Nunavut's languages.

The Corporation maintains offices in:

- Iqaluit: Directorate Group, offering services in:
  - Inuktitut/English – Executive Secretary. Tel: 867.975.7200
  - French – Policy Analyst. Tel:867.975.7203
- Arviat: Headquarters Group, Offering services in:
  - Inuktitut/English: - Operations Secretary. Tel: 867.857.3000

- Arviat: Kivalliq District Office, offering services in :
  - Inuktitut/English – Receptionist. Tel: 867.857.8700
- Cambridge Bay: Kitikmeot District Office, offering services in:
  - Inuinnaqtun/Inuktitut/English – Program Officer Tel: 867.983.2276
- Cape Dorset: Qikatalluk Regional Office, offering services in:
  - Inuktitut/English – Receptionist. Tel: 867.897.3665
  - French – Technical Officer. Tel 867.897.3650

## **STRATEGIC LINK TO PINASUAQTAVUT**

*Pinasuaqtavut* is the Inuktitut term for *That Which We've Set Out To Do*, which is also known as *the Bathurst Mandate*. Developed by the first government of Nunavut, *Pinasuaqtavut* has been clarified, evaluated and has evolved into the strategic direction for the second territorial government. In keeping with Nunavut's consensus style of government, *Pinasuaqtavut* has been embraced and affirmed by all members of the Legislative Assembly as the guiding document as we continue to build our territory over the next five years. The Nunavut Housing Corporation's contributions to this vision are highlighted in the following major component sections.

### **Inuit Qaujimagatuqangit**

The NHC has taken many forward steps toward an integrated IQ approach to daily business, and plans to expand its efforts in 2005/2006.

### **Housing Design**

The NHC recognizes that for housing units to be appropriate in Nunavut, their designs must support traditional activities and lifestyles. In 2005/2006, the NHC will continue to meet with elders and other local stakeholders to identify priority aspects of housing design from an IQ perspective. For example, following up on successful consultations with elders in Arviat, additional meetings are planned with Qikiqtaaluk and Kitikmeot elders in 2005. The NHC will also continue to encourage northern and Nunavut-specific research initiatives and pilot projects as a complement to local input on housing design.

The NHC also recognizes the need for accessible housing designs, and will continue to encourage communities to identify barrier-free unit requirements and other accessibility issues, as well as to provide project assistance whenever possible. In addition, the "Senior's Four-Plex" design – which features four barrier-free units connected by an interior corridor to facilitate social interaction – will continue to be offered as an option for new public housing construction.

### **Program Features**

The NHC is committed to creating and modifying its programs in accordance with IQ, and in close cooperation with our community partners, the LHO's. For example, the LHO's played a key role in reviewing and revising the public housing rent scale to better support families, elders and students. Over the coming year, the feedback of local people will continue to be instrumental in making housing services – including homeownership and staff housing programs – more culturally appropriate. In addition, the NHC will be working with the Canada Mortgage and Housing Corporation to ensure accessible and energy efficient components are included in units built under the Social Housing in Nunavut Initiative (SHINI).

### **Corporation Decision-Making**

The NHC takes a grassroots approach to the incorporation of IQ in Corporation decision-making. A key example is the Building Connections in Nunavut (BCIN) initiative. Since 2002, the NHC has been working with diverse housing stakeholders, including community members, to gather input on housing issues and to begin to map a long-term strategy for housing in Nunavut. A draft strategy taken to communities in

2004 is going to ensure that local feedback is the foundation of any long-term housing plan. Focus group discussions with elders, community leaders and youth took place in all 25 communities. Over 750 elders, youth and community leaders provided valuable input into the Nunavut Housing Strategy. These comments will be incorporated into a final housing strategy, which will be presented for examination and comment in 2005. In keeping with the NHC's record of community involvement, representatives from all communities will be invited to participate in the finalization of this important document.

### **Daily Business**

The NHC is a service oriented Crown Corporation. The vast majority of our work takes place at the community level, with extensive community inputs. We have a long history of community interaction, effectively bridging the gap between languages, formal education levels and cultural differences to produce an effective, sensitive product that meets and exceeds the expectations of Nunavummiut. IQ has been a strong component of daily business since the first LHOs were created in the late 1960's. Currently LHOs employ over 200 Nunavummiut, well over 90% of whom are Inuit. Without the cultural sensitivity and understanding that are two pillars of IQ the NHC would not be effective in the delivery of its programs. Our District Technical, Program and Financial Officers travel almost continually throughout our 25 communities and *per force* must incorporate IQ concepts to be able to succeed in their daily tasks.

Yet, more can be done to introduce IQ concepts to new NHC staff, particularly in the Headquarters groups, but also to assist in the orientation of field staff. Currently, headquarters personnel, who traditionally do not experience community life on a regular basis, travel extensively through the Territory as an ongoing orientation and as a "grounding" in who our clients are and, most importantly, how we can best serve those clients. Furthermore, newly hired field staff must come up to speed quickly to be effective. During 2005/06, the NHC, in collaboration with our community partners, will develop an IQ orientation program which will include extended community stays for up to one month. During this time, employees will become familiar with LHO and community operations as well as developing an understanding of the concepts that underlie IQ, and developing the tools and resources that they need to continue to incorporate IQ in their daily work plans upon return to their home community.

The NHC's five main offices incorporate IQ into their daily business in diverse, flexible, and locally based ways. This approach will be continued in 2005/2006 as NHC staff work to meet Nunavut's housing challenges. As a Corporation-wide initiative, the NHC will be building on its already strong record of service provision in the client's language-of-choice by exploring and implementing, wherever possible, the Language Services Guidelines issued by the GN Department of Culture, Language, Elders and Youth.

### **Healthy Communities**

A fundamental building block of a healthy community is access to adequate, suitable and affordable housing. Appropriate housing assists in reducing negative health and societal effects, allows students to maximize their effectiveness at school, increases productivity at work, and provides a safe living environment for all. In 2005, Nunavut over half of Nunavummiut do not enjoy this basic right. During the next five years, the NHC will continue its efforts to address this challenge through:

### *Nunavut Housing Corporation*

- With Nunavut Tunngavik Inc., pursue a partnership with the Federal Government which will see the implementation of the *Nunavut Ten-Year Inuit Housing Action Plan*. This bold, ambitious plan calls for the construction of 5,700 new homes over the next ten years as well as the renovation of an additional 1,000 existing units.
- Implement, through the *Building Connections in Nunavut* symposia structure the *Nunavut Housing Strategy*. The strategy, slated for finalization and implementation during 2005, will act as a companion document to the Action Plan and provide the overarching policy underpinnings for the territory so that the goal of families and individuals in Nunavut to have fair access to a range of affordable housing options will be met.
- The Corporation will continue to construct social housing, in association with federal agencies like the Canada Mortgage and Housing Corporation and Infrastructure Canada.
- We will focus on reducing the operating costs of social housing in particular, but also of all residential homes, through increasing energy efficiency and adopting new technologies in housing construction in partnership with Natural Resources Canada and other Federal Agencies.
- We will enhance economic opportunities in smaller communities through innovative approaches to the construction of new housing units. In particular, the Corporation will continue its “unbundled” approach to house construction, allowing firms to bid separately on the material and labour components of house construction.

### **Simplicity and Unity**

During the first government the Corporation began its program of simplification and unity by tearing apart its public housing rent scale and rebuilding it from the ground up. The scale was greatly simplified and addressed concerns such as the scale being a disincentive to work and to incorporate fairness in the way Income Support clients are assessed rent. We are now taking lessons learned from the first government and are incorporating them into all aspects of Corporation activities for the second government. Activities include:

- Unifying home owner programs by introducing the same income parameters for all Corporation Programs.
- Simplifying home repair programs through removing income-based sliding scales, and increasing access to the programs by increasing the amount of funding available as well as increasing the income threshold for access to the program.
- Rewriting all Corporation documents, policies and procedures - public and internal - with a view toward ease of understanding and implementation across all publics.
- Currently, all NHC clients receive counseling in their language of choice, Inuktitut, Inuinnaqtun, French or English. However, more can be done at the employee level and the Corporation will continue to actively promote and encourage the use of Inuktitut in the workplace.
- As has always been the Corporation’s policy, all documents will continue to be produced in all four of the main languages of the territory.

### **Self Reliance**

A cornerstone of our relationship with our twenty-five Local Housing Organizations (LHOs), increasing self reliance through adequate, sustainable funding, training,

mentorship and support is an important factor in the Corporation's activities over the next five years. Activities include:

- Ongoing advocacy efforts, in cooperation with the Department of Finance, to ensure the sustainability of LHO operations through ensuring the drop off of CMHC funding for public housing is maintained.
- Investigation of the current block funding model for LHOs and offering suggestions that will ensure the sustainability of the LHOs over the long term.
- Continuation of the NHC training fund, which is available to all LHO employees and Board members.
- Encouragement and assistance, where practicable, for LHOs to assume additional duties that will increase community capacity and provide additional resources, education and training to LHOs.

With a small cadre of seventy professionals, the Corporation continues to build corporate self reliance through the implementation of identified activities in its Inuit Employment Plan which includes management internships, mentoring, staff Inuit Qaujimagatuqangit, orientation and staff orientation components.

We will continue to build both capacity and strength of the Corporation, while remaining sensitive to those ideals that separate us from other jurisdictions and make us unique. Through that capacity building and increasing self reliance we will in turn be able to better increase the self reliance of our clients.

### **Continuing Learning**

The Corporation's approach to the construction and renovation of housing units is one of economic development. House construction and renovation goes on in every Nunavut community and provides much needed employment, albeit on a seasonal basis. In order to fully participate in the economic benefits that come from the construction industry, Nunavummiut need the education and skills necessary to perform the tasks. Additionally, many LHO staff members are long term employees. When they reach retirement age it will create new opportunities for youth to enter trades in the housing sector in their own communities. The NHC will:

- Provide training opportunities in construction and housing maintenance in partnership with LHOs, CMHC and Nunavut Arctic College.
- Work with all partners to encourage and deliver the pre trades and trades training necessary for employment in the housing sector.

## **ENVIRONMENTAL SCAN**

### **Introduction**

2005-006 is poised to be a watershed year for the Nunavut Housing Corporation (NHC) and indeed, housing in Nunavut. During 2004, The *Nunavut Ten-Year Inuit Housing Action Plan*, was jointly developed by the NHC and Nunavut Tunngavik INC. (NTI). The proposal challenges the federal government to recognize its moral, constitutional and fiduciary responsibility to provide housing for Inuit. The proposal calls for a federal intervention, co-managed by the NHC and NTI to construct over 5,700 new public housing units over the next ten years. Additionally 1,000 existing units would receive retrofits. Currently planned for construction to commence in Summer 2006, this proposal will dramatically change the delivery of housing solutions in Nunavut over the next ten years.

Since its creation in 2000 and up to the end of the 2005/06 construction year, the NHC will have constructed 500 public housing units, as well as either constructed or leased an additional 160 incremental staff housing dwellings. Yet, in the public housing tenure type alone, an incremental 273 units per year, with an average cost of \$250,000 are necessary. Clearly, in the face of such daunting need the Territory cannot keep pace.

The NHC, through the Action Plan, will continue its strong support of public housing, while also concentrating in other areas of its portfolio. For example, important positive changes in homeowner programs will be introduced for 2005-2006. Maximum income levels for program eligibility will be both increased and standardized across all NHC homeowner programs. Assistance in the popular Home Repair program will be dramatically increased from a maximum of \$33,750 to \$50,000. Additionally, the existing sliding scale will be dropped, allowing all eligible applicants to access the full amount of available funding, should their project require it.

In recognition of the need to concentrate on assisting Nunavummiut who are ready to assume the responsibility for homeownership, the NHC will, in 2005-06 continue to develop programs which will facilitate increasing the numbers of homeowners in all communities.

During 2005, the Nunavut Housing Strategy will be finalized through a final *Building Connections in Nunavut* symposium. This symposium, to be attended by stakeholders from all communities in the territory, as well as all other publics, will validate the Strategy through an analysis of the results of the community consultations of 2004. The final strategy will then strongly complement the infrastructure program advanced through the Action Plan.

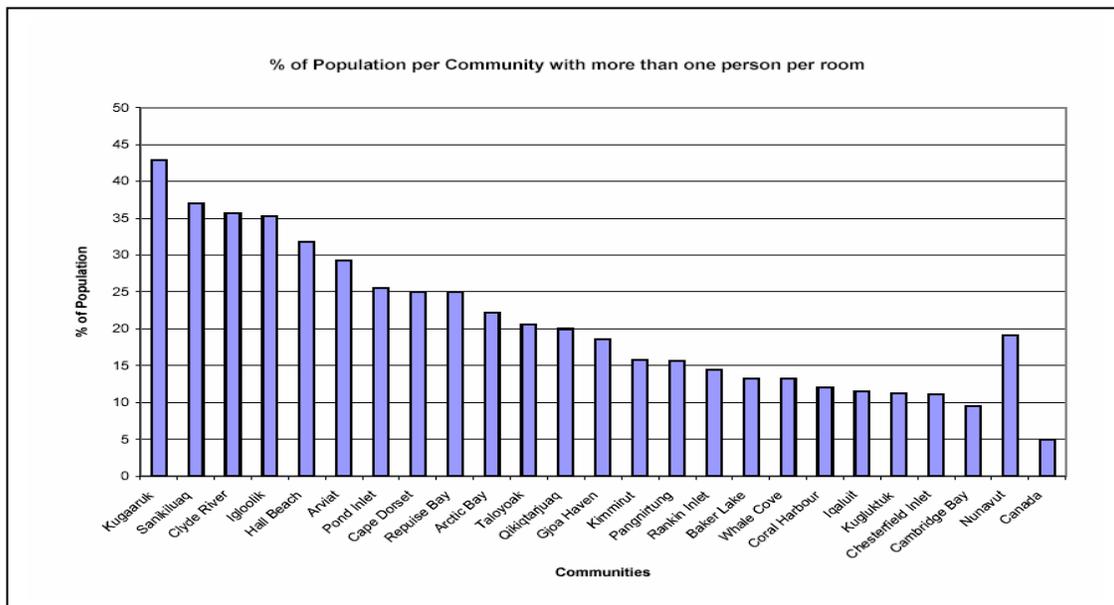
## Housing Need “By the Numbers”

By any measure, Nunavut’s housing need is staggering. Public Housing Program waiting lists continually exceed 1,000 families or about 3,800 persons; 3,000 homes are needed now to bring Nunavut on a par with the rest of Canada (or even with its territorial sisters); and, over the next ten years, a housing infrastructure investment of more than \$1.9 billion is necessary to meet existing and emerging requirements. These acute needs together constitute a severe housing crisis, and indeed, a crisis worsening daily as the population booms and existing stock ages.

Nunavut’s profound housing challenges are situated in a remote, Arctic environment where, for many months of the year, flesh freezes in seconds, not minutes. Absolute homelessness *per force* does not exist in the territory. Instead, Nunavut’s “hidden homeless” sleep in shifts within already overcrowded homes, homes that average less than 1,000 square feet in size and that offer living space cramped by potable water tanks, washers/dryers, furnaces and hot water makers. In a territory that represents more than one-fifth of Canada’s land mass, suitable, adequate living space is a scarce resource rather than a basic right.

Overcrowding – defined within the 2001 Aboriginal Peoples Survey as more than one person per room – affects every community in Nunavut. As shown in Figure 1, half of Nunavut’s 25 communities suffer overcrowding rates of 20% or more. Nunavut, as a territory, experiences 19% crowding compared to the 5% average for the rest of Canada.

**Figure 1: Overcrowding Conditions by Community**

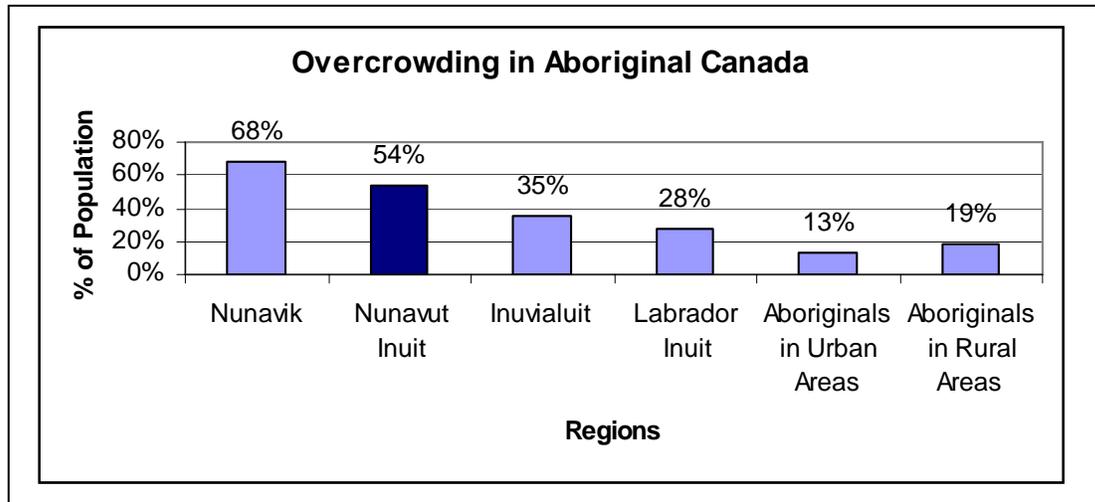


Source: 2001 Aboriginal Peoples Survey, Community Statistics

Note: Statistics were not available for the communities of Grise Fiord and Resolute Bay

Among Canada’s Aboriginal peoples, Inuit in Nunavut experience a 54% rate of overcrowding, second only to Inuit in Nunavik, who experience an overcrowding rate of 68%.

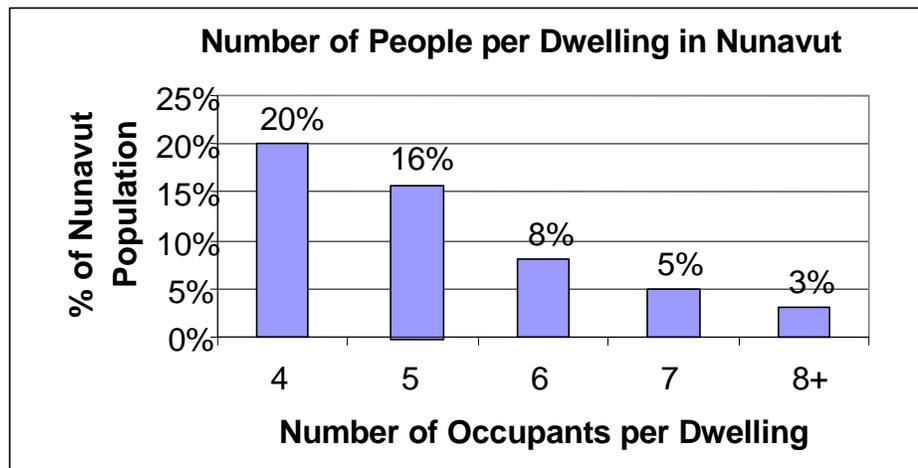
**Figure 2: Overcrowding in Canada's Inuit Regions**



Source: 2001 Aboriginal Peoples Survey

The housing crisis in Nunavut affects all tenure types, from public housing and staff housing, to affordable rental housing and homeownership units. Despite the addition of 500 new public housing units since 2000, the average number of persons per household in these vital units is still 3.8, with some communities averaging over 5 people per dwelling. This is particularly telling when compared to the territorial average of 3.27 people per dwelling and the Canadian average of persons per dwelling of 2.39.

**Figure 3: Number of People per Dwelling in Nunavut**



Source: Nunavut Household Survey

To understand the human impact of these statistics, local context must be considered. Average number of people per dwelling refers to the number of people in *every* dwelling, from a modest bachelor suite to a large single family dwelling. The stark reality is that over 52% of Nunavut's dwellings have more than four people living in them, and a further 32% have more than five inhabitants (Figure 3). Although statistics do not exist on unit size and overcrowding, anecdotal observations indicate that the homes with the highest numbers of occupants also have the smallest square footage, thus increasing overcrowding pressures. As an added perspective on the overcrowding

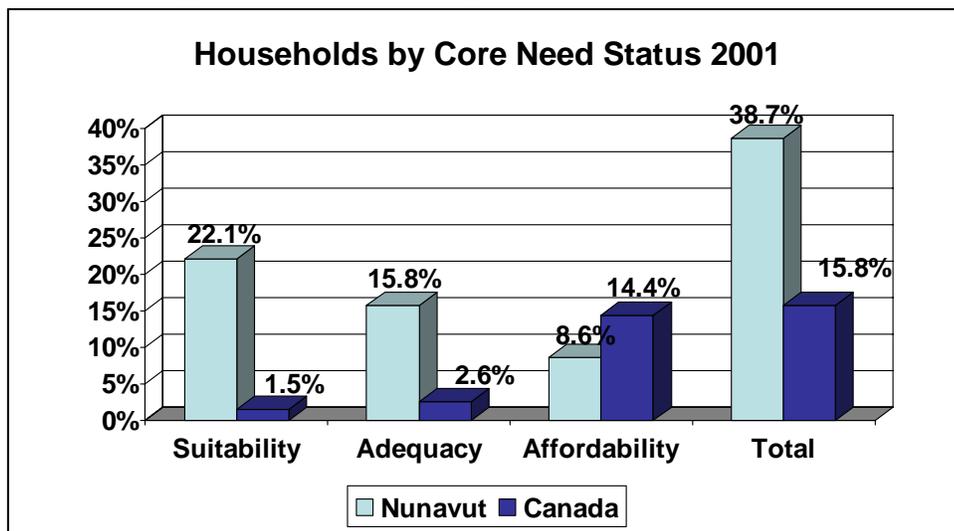
situation in Nunavut, 1996 Canada Census figures indicated that the percentage of occupied dwellings with more than one person per room in Canada was 1.7%. In Nunavut the average percentage was 25.8%, with some communities as high as 38%.

The recently released CMHC Research Highlight: *Geography of Household Growth and Core Housing Need* both reinforces the desperate situation in Nunavut and offers perhaps the most telling statistics to date regarding Nunavut’s housing crisis. CMHC research examines housing core needs in the areas of adequacy, suitability and affordability. Adequate housing is housing not in need of major repair. Suitable shelter is housing that is not crowded, meaning it should adhere to National Occupancy Standards: maximum number of people per bedroom is 2 with parents eligible to a bedroom separate from their children; members 18 years of age and older eligible to a separate bedroom unless cohabitating as spouses; and dependents aged five or more required to share a bedroom only with siblings of the same sex. Affordable housing is adequate, suitable housing that can be obtained without spending 30% or more of before-tax household income. Finally, CMHC defines a household to be in core need if they do not live in and cannot access acceptable housing.

Regarding affordability, Nunavut also stands out statistically. Each and every private dwelling unit in the territory receives some type of housing subsidy. For some at the highest income levels it may be a small subsidy for power and fuel. For middle income earners subsidies may also include staff housing rent/household subsidies and homeownership down payment and/or home repair assistance. For low income earners, rent and mortgage geared to income options are the norm, along with virtually all utilities paid on their behalf.

If these subsidies were removed or factored out, all but the most affluent of Nunavummiut (Nunavut residents) would have affordability problems. In this scenario, Nunavut percentage of households in core need would rise from the current - unacceptable - 38.7% to well over 90%. Figure 4 graphically shows the disparities that currently exist between Nunavut and the rest of Canada.

**Figure 4: Households by Core Need Status 2001**



Source: CMHC Core Housing Needs Study based on 2001 Census of Canada.

In addition to severe existing demand, Nunavut also faces the reality of a huge birth rate. 2001 Canada Census information indicates that Nunavut's population increased by 8% between 1996 and 2001, with increases in some communities as high as 22%. The Nunavut Bureau of Statistics predicts the territory's population will rise from 29,644 as of July 1, 2004 to almost 44,000 by the year 2020. Indeed, the City of Iqaluit's general plan predicts that 2,243 new housing units will be needed in that community alone over the same planning period.

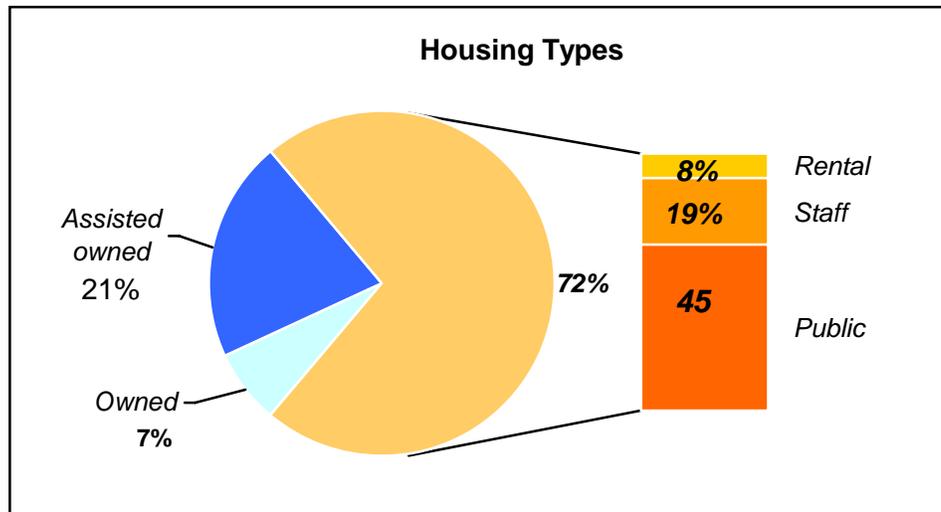
Increasing the number of homes, and improving the condition of existing homes, are crucial steps in beginning to address social problems faced by Nunavut children and families. Inadequate and overcrowded housing can contribute to social and health problems, which in turn can result in higher costs for health care, income support payments, policing and penitentiary services. Therefore, an investment in housing may result in significant reductions in the cost of health services and social assistance as community wellness improves. In addition, by addressing basic shelter, safety and security needs, proper housing will enable people to direct their energies toward education, employment, child-raising, and other important activities.

### Dwelling Types

Fully 45% of Nunavut's dwellings are Public Housing Program units, and tenancy in these units is 99% Inuit. In the absence of private affordable rental housing, and given the high costs of independent homeownership, public housing units are home to the majority of Nunavummiut.

Staff Housing from all employers accounts for another 19% of Nunavut's total dwelling count, while a further 21% of units have received some type of homeownership assistance under one or another of the NHC's programs. Only 7% of the dwellings in the territory were purchased privately (Figure 5). When compared to the rest of Canada, Nunavut's mix of dwelling type is notably different. Only 6% of units in the rest of Canada are of the social (public) housing type, whereas homeownership accounts for 70%, and rental, 14%.

**Figure 5: Housing Types in Nunavut**



Source: Nunavut Household Survey

## Housing Costs

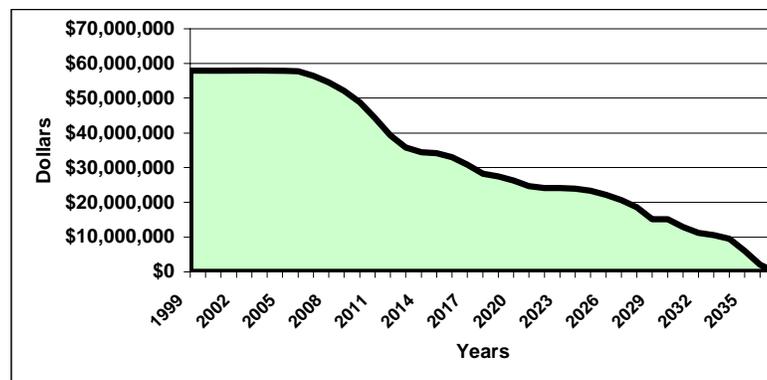
According to NHC occupancy statistics, almost 54% of Nunavummiut live in the approximately 3,900 Public Housing Program units maintained by the Corporation. Together, the NHC's 3,638 owned and 262 rent supplement Public Housing units represent a total public investment of over \$441 million<sup>1</sup> in the public housing stock across the territory.

In addition to unilaterally funding the addition of about 300 new public housing units since its establishment as a Corporation in 2000<sup>2</sup>, the NHC invests about \$10 million annually in capital improvements to units. All evidence suggests that reliance on this source of affordable housing will only increase. Lack of employment and economic development opportunities, for example, contribute to keeping individual and household incomes low. 70% of public housing tenants are either on Income Support or pay only minimum rent, and thus, rental receipts from the Public Housing Program consistently offset only about a tenth of the yearly cost to manage the portfolio. These factors, together with Nunavut's lack of affordable rental housing, and the costs of private ownership in a harsh, northern environment, mean that subsidized accommodation in the form of public housing will be an ongoing and long-term need for the territory.

A new partnership announced in 2003 with Infrastructure Canada and CMHC will see at least 160 new social housing units constructed in Nunavut communities over 2004/2005 and 2005/2006. This cost-shared capital investment in social housing infrastructure is a step in the right direction, but the need for a major federal intervention into Nunavut's housing crisis remains.

Funding from CMHC for existing social housing inventory is declining and will terminate completely in the year 2037 (Figure 6). More resources need to be dedicated to the operations and maintenance (O&M) of existing public housing, particularly in light of the fact that current block funding is fixed at 1996 levels. As a result, the buying power of these funds is being eroded annually by inflation. Fiscal 2003/2004 was the first year when funding began to decline.

**Figure 6: Future CMHC Funding for the Operation of Current Social Housing in Nunavut**



Source: Nunavut Housing Corporation  
 Note: 1996 dollars (no provision for inflation)

<sup>1</sup> NHC 2003 Audited Financial Statements

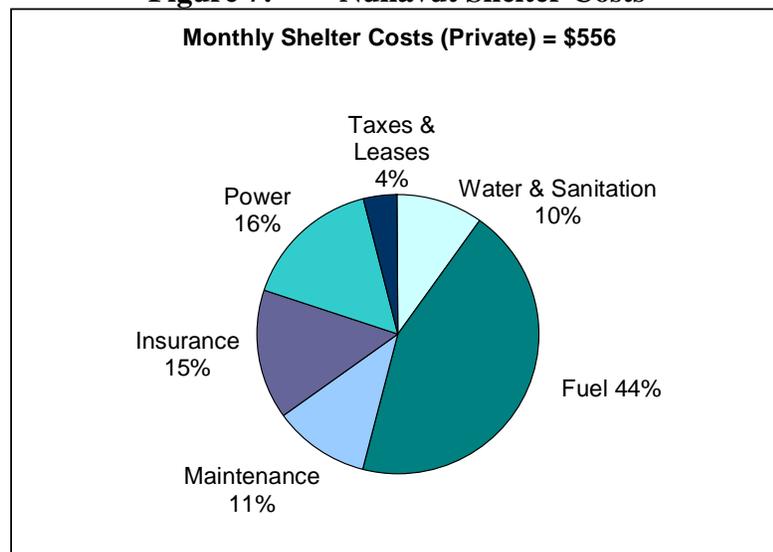
<sup>2</sup> Of the approximately 320 new Public Housing units added between 2000 and 2004, the federal government's capital contribution, through the 2001 Affordable Housing Program, accounted for 26 of the new units.

Construction costs also contribute to the rapidly increasing housing costs in Nunavut. These costs have risen in excess of 10% per year for the last several years. It is not expected that this trend will drop off in the near future for Nunavut, or indeed, for the North in general.

The staff housing stock administered by the NHC includes over 1,100<sup>3</sup> units. Of these, approximately 100 are owned by the NHC; the remainder are rent supplement. Over time, the NHC will need to address the composition of this portfolio with a view towards rebalancing its assets. However, forward steps are being taken to increase the range of housing options available to staff; in 2002 and 2003, for example, 157 condominium units were constructed in 10 Nunavut communities through the GN Staff Condominium Program. These units are currently available to staff for purchase, and unsold units are being used as Staff Housing Program rental accommodations to ensure maximum usage of this new capacity.

The NHC is committed to exploring the potential of new and existing homeownership programs to assist people who are ready to gain the advantages of independence from the subsidized Public and Staff Housing Programs. Every new homeowner either frees up a rental unit, either in the Public or Staff Housing pools, or reduces an existing home's occupancy level. Unfortunately, homeownership remains unattainable for most Nunavummiut. Ongoing payments for basic shelter components are very high in Nunavut: on average, it costs \$556 per month for fuel, water, garbage, power, insurance, maintenance, and land lease fees (Figure 7). Costs are as high as \$672 in some communities. As these costs rise with inflation and over time, it will become more and more difficult for Nunavummiut to afford the cost of homeownership. As well, rental costs will need to escalate to keep pace with rising shelter costs, possibly pricing any new affordable rental housing out of the reach of most residents. These factors in turn increase reliance on the Public and Staff Housing Programs, putting ever-increasing pressure on a society already in crisis.

**Figure 7: Nunavut Shelter Costs**

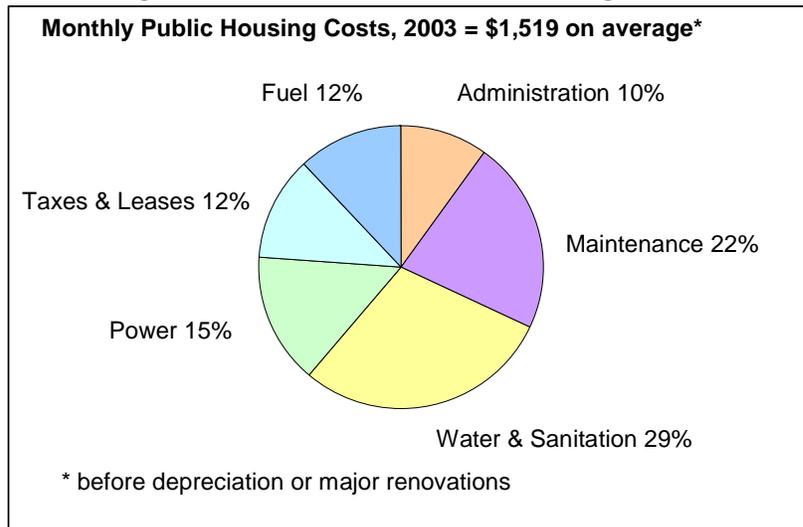


*Source: Nunavut Housing Corporation*

<sup>3</sup> NHC Unit Inventory

Public Housing Program costs, principally because of “hidden subsidies” for power, water/sewerage and garbage, continue to escalate. Although the NHC has received forced growth dollars for newly constructed units, funding for existing units remains constant, pegged at 1996 levels (Figure 8). Additionally, the LHO block funding formula for administration and maintenance has not been adjusted since 1996, either for inflationary pressures or for Nunavut economic realities.

Figure 8: Nunavut Public Housing Costs



Source: Nunavut Housing Corporation

### Critical Issues

- An increased supply of public housing units through a federal intervention and in association with NTI through the *Nunavut Ten-Year Inuit Housing Action Plan*.
- An increased supply of affordable housing for staff, which could be subsidized housing, homeownership and/or increased affordable private rental units.
- Finalization of the policies and programs for staff housing – subsidized housing rent in particular.
- Addressing the funding formula for our community partners, the Local Housing Organizations.
- Finalization of a housing strategy for Nunavut (Building Connections in Nunavut model).
- Creation/modification of existing homeownership programs to ensure that they meet the current and future needs of Nunavummiut.
- Creation of a closer linkage and strategy between health and housing, using the “continuum of care” model with a particular emphasis on homelessness and overcrowding.
- Monitoring and evaluation of the effectiveness and appropriateness of the new rent scale for public housing.
- Capital construction and the GN Contracting Procedures/NNI Policy with particular emphasis on Inuit employment and training in NHC-led construction projects.

## CORE BUSINESS

The programs of the Nunavut Housing Corporation are described, below, within four business areas:

	<b>Budget (\$000)</b>	
	<b>2005-06</b>	<b>2004-05</b>
Advisory and Administrative Services	9,483	8,526
Public Housing	44,209	36,117
Staff Housing	35,948	34,528
Homeownership *	0	0
<b>TOTAL</b>	<b>89,640</b>	<b>79,171</b>

\* Appropriations included in the 2005/2006 Capital Estimates

### Advisory and Administrative Services

Advisory and Administrative services for the NHC are provided by a group of housing professionals. A small team of seventy persons works diligently to make the NHC an action-oriented service delivery agency. Our strength is in our dedication to delivering targeted housing solutions to all audiences: education, training and support to LHO's in the areas of administration, finance, program delivery and technical construction techniques and procedures; homeowner services in the areas of finance, life skills and technical assistance; and, coordination of housing-related lobby efforts on behalf of all Nunavummiut.

#### Objectives

- To increase coordination of housing policies and procedures in Nunavut;
- To add staffing and delivery capacity to the Nunavut Housing Corporation, the LHO's, and Nunavummiut;
- To increase the awareness and understanding of housing realities in Nunavut both in the territory and nationally.

<b>Programs</b>	<b>Budget (\$000)</b>	<b>2005-06</b>	<b>2004-05</b>
<b>Corporate Governance</b>		350	327
Responsible for managing the Corporation to ensure consistent application of policy, standards and procedure and program delivery throughout Nunavut.			
<b>Corporate Operations</b>		1,722	1,524
Responsible for the administration of corporate policy, strategic planning and communications. Corporate Operations provides support to the Minister, the senior management team, and the regional offices.			

<b>Corporate Policy and Planning</b>	513	472
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Accountable for the development and co-ordination of Corporation policies in support of the Nunavut Housing Corporation's Vision, Mission, Mandate, and Goals and Objectives. This function is also responsible and accountable for research, economic and financial planning for the Corporation.

<b>Corporate Financial Administration</b>	1,217	1,100
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Accountable for the complete management of the financial affairs of the Nunavut Housing Corporation, including safeguarding the Corporation's assets, preparing and issuing financial reports, maintaining internal financial controls, and providing training and advice.

<b>District Program Administration</b>	1,868	1,679
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Responsible for managing the delivery of homeownership and housing repair programs, assisting the Local Housing Organizations in the delivery of rental housing programs by monitoring the management/partnership agreements, and providing a high degree of support to the District. Also accountable for the management of the mortgage and homeownership portfolio, which includes financial counseling and training of clients.

<b>District Financial Administration</b>	1,386	1,260
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Fulfills a dual function in providing financial support to the District, and in monitoring, evaluating and assisting LHO's with financial matters.

<b>District Technical Administration</b>	2,427	2,164
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Provides support and training to LHO maintenance staff. This function also manages the planning, implementation and administration of all capital construction and modernization and improvement projects. In addition, the provision of technical advice to homeowners supports delivery of the homeownership programs.

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<b>Total, Advisory and Administrative Services</b>	<b>9,483</b>	<b>8,526</b>
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### Priorities (2004-05)

- Continue liaison with Nunavut Tunngavik Incorporated to develop a clear, hard-hitting business case for a federal intervention into Nunavut's housing crisis.

**Status:** *Complete. The Nunavut Ten-Year Inuit Housing Action Plan will serve as the basis of ongoing advocacy and cooperation regarding Nunavut's public housing crisis.*

- Work closely with the Department of Health and Social Services to: document the linkages between health and housing; support research on these linkages; and, develop joint initiatives to address gaps in the continuum of care.

**Status:** *In progress. Good progress was made in this area and the NHC will continue its research into the continuum of care during 2005-06.*

- Update and expand information gathered in the 2001 Nunavut Household Survey by investigating options for a Nunavut Housing Needs Survey.

## *Nunavut Housing Corporation*

**Status:** *Complete. Very rich, up to date, data on housing has been made available through the 2001 census, Aboriginal Survey and CMHC. Additionally, in 2004 the Nunavut Bureau of Statistics performed another survey of Nunavummiut which included housing questions.*

- Continue interdepartmental information sharing, strategic planning and dialogue through the Housing Strategy Committee.

**Status:** *Ongoing. This Committee continues to develop, review and vet all housing policy development for the territory.*

- Work with community groups and other stakeholders to develop joint strategies to address homelessness.

**Status:** *Ongoing. Liaison was good between stakeholders during 2004 and is expected to continue during 2005.*

- Continue to enhance the capacity of the Corporation through efforts to build a full complement of finance staff in Arviat's Headquarters office, and through ongoing monitoring of the Corporation's draft Inuit Employment Plan.

**Status:** *Ongoing. Financial capacity building suffered a setback during 2004 but plans are in place to continue to build the strength and to provide on-going support for this vital function during 2005-06.*

## **Priorities (2005-06)**

- With Nunavut Tunngavik Incorporated work to make the *Nunavut Ten-Year Inuit Housing Action Plan* a reality during 2005-06 with construction of the first units to commence in summer, 2006.
- Further the work started in 2004-05 to document the linkages between health and housing; support research on these linkages; and, develop initiatives to address gaps in the continuum of care.
- Enhance the capacity of the Corporation through efforts to build a full complement of finance staff in Arviat's Headquarters office, and through ongoing monitoring of the Corporation's draft Inuit Employment Plan.
- Integrate feedback from community consultations on long-term housing priorities into the draft Nunavut Housing Strategy.
- Host a Nunavut-wide conference and workshop to introduce and gain validation of the Nunavut Housing Strategy as a companion document to the Nunavut Ten Year Inuit Housing Action Plan. Representatives from all communities will participate in the workshop.
- Investigate the creation of a sub-group of the IQ Council - Katimajit. This committee, which would meet at least twice a year, would provide the NHC with short- and long-term guidance and feedback on IQ as it relates to housing in Nunavut.
- Develop and introduce an employee IQ orientation and training package that includes an extended stay in a community while working from an LHO office. This will be a win-win situation where the employee will be able to share skills

with the LHO and assist with matters while learning the essential IQ skills so necessary to be effective in their jobs. Employees will learn business and community priorities as well as learn – through living – Inuit cultural values and knowledge.

## Public Housing

The NHC accomplishes community-sensitive delivery of the Public Housing Program by providing financial resources, as well as ongoing professional support, to its delivery agents, the twenty-five LHO's. LHO's are responsible for the complete care of the 3,900-unit portfolio, from unit allocations and rental assessments/collections, to maintenance and repairs.

### Objectives

- To add staffing and delivery capacity to the Nunavut Housing Corporation, the LHO's, and Nunavummiut;
- To increase the number of adequate, suitable and affordable dwelling units in Nunavut.

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<b>Programs</b>	<b>Budget (\$000)</b>	<b>2005-06</b>	<b>2004-05</b>
<b>Leased Units – Rent Supplement</b>		7,355	7,003
262 leased public housing units throughout the territory. Provides an opportunity for the private sector to provide much needed public housing rent supplement units without the capital expenditure required for the construction of new units.			
<b>Administration and Maintenance</b>		23,701	23,053
The Administration and Maintenance component includes such items as salaries and benefits, equipment and supplies to perform both demand and preventative maintenance, travel, and training.			
<b>Utilities</b>		46,512	37,993
Covers the cost of utilities for the Public Housing Program. Utility expenses include power, fuel, water and sewerage, and garbage collection.			
<b>Taxes and Land Leases</b>		1,681	1,993
Covers the cost of taxes and land lease expenses.			
<b>Debt Recovery</b>		28,004	28,003
Remitted to CMHC to pay down the debt on the public housing portfolio, which is about \$196 million as at March 31, 2003.			

*Nunavut Housing Corporation*

**Rental Revenue** (6,948) (5,815)

LHO's assess public housing rents and are responsible for their collection. Revenues collected are discounted 3% as an allowance for bad debt. The remainder is used to offset the cost of administering the Public Housing Program.

**Other Revenue** (56,096) (56,113)

CMHC contributions for Social Housing and own source revenue.

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<b>Total, Public Housing</b>	<b>44,209</b>	<b>36,117</b>
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**Priorities (2004-05)**

- Work with federal counterparts to design and deliver an action plan for the implementation of the SHINI initiative.

**Status:** *Complete. At least 160 incremental public housing units will be built over the life of the program, with 88 units having been delivered to the high-water mark during 2004-05 and at least 72 units to be delivered during 2005-06.*

- Revisit the LHO funding formula with a view toward providing a fair and adequate level of funding for these important community partners.

**Status:** *Ongoing. Utility deficits have been quantitatively identified, while Administration and Maintenance funding will be addressed during 2005-06.*

**Priorities (2005-06)**

- Revisit the LHO funding formula with a view toward providing a fair and adequate level of funding for these important community partners.
- Work with LHOs, NTI and the Federal Government to ensure the successful delivery of the *Nunavut Ten-Year Inuit Housing Action Plan* at the community level.
- Develop, with the LHOs, a comprehensive three to five year plan to address the Modernization and Improvement of the existing public housing stock
- Develop, with the LHOs an energy efficiency plan to increase the awareness of energy usage in our communities and to reduce the amount of energy used in public housing units.
- Continue to provide capacity-building support to LHO's, the NHC's community partners, as they assist in the delivery of Corporation programs.

## Staff Housing

Through the Staff Housing Program, the NHC provides rental and homeowner units to GN staff, as well as a range of housing-related programs and services to support eligible staff. Currently, over 90% of staff housing stock is in the form of leased units, tying up the lion's share of the budget. Significant policy and procedural work will continue over the next five years as we investigate, revise and refresh virtually all areas of staff housing.

### Objective

- To increase the number of adequate, suitable and affordable staff dwelling units in Nunavut.

Programs	Budget (\$000)	2005-06	2004-05
<b>Operations</b>		4,612	3,547
Provides the day-to-day operations for the Staff Housing Program in a decentralized environment.			
<b>Leases for Staff Housing Rental Units</b>		31,336	30,981
Representing 90% of the line of business portfolio, provides about 1,100 rental units.			
<b>Total, Staff Housing</b>		<b>35,948</b>	<b>34,528</b>

### Priorities (2004-05)

- Proceed with detailed research and planning on key themes identified as part of the expanded "Under One Roof" initiative.

**Status:** *In progress. This initiative has proven to be more complicated and ambitious than previously thought. The "Under One Roof" concept remains valid and will continue to be implemented during 2005-06.*

- Continue to develop a comprehensive Staff Housing Policy.

**Status:** *In progress. Good progress was made on several aspects of this policy, with any outstanding aspects to be finalized in early 2005-06.*

- Report to the Financial Management Board (FMB) quarterly on condominium sales and advise the Board on how the receipts are to be used.

**Status:** *Ongoing.*

- Prepare a staff housing development and funding strategy by March 30, 2004 for consideration by the FMB.

**Status:** *Complete: The draft strategy was presented to the FMB in the Fall of 2004.*



### **Senior Renovation Program**

Provides financial help of up to \$15,000 plus freight to seniors who own their homes to undertake renovations.

### **Tenant-to-Owner Program**

Allows tenants who are able to assume the responsibility of homeownership to purchase their public housing unit. The NHC will replace units sold under this program within three years.

### **GN Staff Condominium Program**

Creates a supply of affordable staff accommodations and offers homeownership opportunities to GN staff who are able to assume the responsibility of homeownership. Also provides assistance in the administration of Condominium Corporations.

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### **Priorities (2004-05)**

- To revisit all home repair programs with a view toward adjusting program features to better meet the needs of Nunavummiut.

**Status:** *Complete. Several enhancements to homeowner programs were introduced effective April 1, 2005 including increased income thresholds, increased per-project funding and increased overall program funding.*

- To survey the potential homeownership client base and develop new programs to expand homeownership options for Nunavummiut.

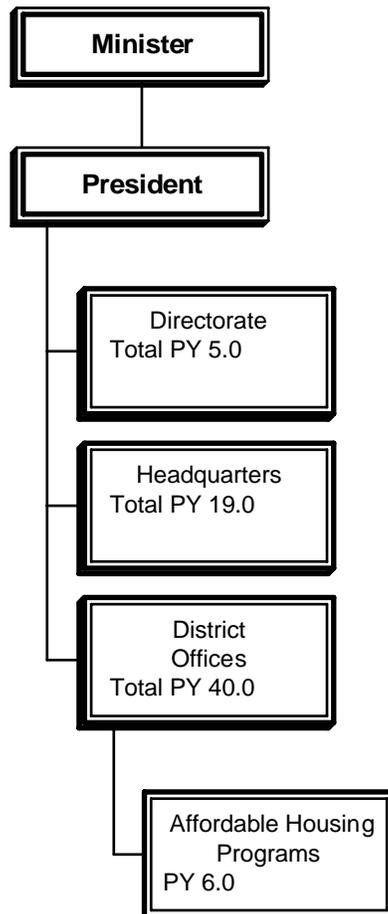
**Status:** *Complete. The NHC will develop new and enhanced homeowner programs based on these valuable outputs.*

### **Priorities (2005-06)**

- To monitor and evaluate the effectiveness of the newly created and revised homeowner programs.
- Develop an energy efficiency plan to increase the awareness of energy usage by homeowners and to reduce the amount of energy used in their homes.
- To develop and implement a senior homeowner maintenance program.

## APPENDIX I: ACCOUNTING STRUCTURE AND FINANCIAL SUMMARY

### Accounting Structure Chart



<b>Person Years (PYs)</b>	<b>Total</b>
Vote 1 PYs	70.0
Vote 4/5 PYs	0.0
Revolving Fund PYs	0.0
<b>TOTAL PYs</b>	<b>70.0</b>

## **Departmental Roles**

### **Directorate**

The Executive is responsible for managing the Corporation to ensure consistent application of policy, standards and procedure and program delivery throughout Nunavut. It also oversees the development of long-range plans, policies, and operational guidelines on Corporate matters for the Minister responsible for the Nunavut Housing Corporation and for the Executive Council (Cabinet). As well, it ensures that programs are delivered according to the Corporation's funding agreement with Canada Mortgage and Housing Corporation (CMHC).

### **Corporate Headquarters**

Corporate Headquarters is responsible for the development of corporate policy, strategic planning and communications. Corporate Headquarters provides support to the Minister, the Corporate Executive and to the regional offices. It coordinates the preparation, monitoring and reporting of the Corporate O&M and capital budgets, administers the loan portfolio and provides accounting and treasury services. It provides support to the regions in the areas of programs, contracting, project management, design and maintenance.

### **District Offices**

Delivery of services and support to communities in programs and services is managed through the Corporation's District Offices. District Offices set regional priorities and work with LHO's and individual clients to ensure programs are being delivered to appropriate standards through monitoring and assessment. They also carry out the delivery of services when not undertaken by the local community. The District Office is responsible for ensuring the construction program is successful in their region. They are also responsible for developing a positive relationship with other government departments and agencies.

### **Local Housing Organizations (LHO's)**

The Corporation is partnered at the community level with LHO's. LHO staff perform most of the day-to-day duties associated with program delivery to individuals and families. Most LHO's are formed as independent organizations under the *Societies Act* (Housing Associations). The Iqaluit Housing Authority is formed under the Nunavut Housing Corporation Act. Some communities include the housing function within the municipality.

Relationships with the LHO's are based on operating or partnership agreements. Under the Public Housing Program, duties include allocation of housing to community residents according to need. As well, LHO's provide related administrative and maintenance services. Several LHO's also have responsibility for parts or all of the home repair and homeownership programs. The partnership between the Corporation and the LHO is based on a cooperative investment of resources (time, funding, materials and support).

**Amortization**

The Corporation owes CMHC approximately \$188 million for outstanding mortgages in the social housing portfolio. These mortgages will be paid out by 2037, at which time the NHC will neither be indebted to nor receive funding from CMHC under the Social Housing Agreement.

**Investment Strategy**

Information on the investment activity of the Corporation is required in the Corporate Business Plan to comply with subsection 91(2) of the *Financial Administration Act*.

The types of investments the Corporation is restricted to are those specified in subsection 81(1) of the *Financial Administration Act*, which states:

*A public agency may invest money belonging to the public agency:*

- a. in certificates of deposit, deposit receipts, notes or other evidences of indebtedness given by a bank in consideration of deposits made with the bank;*
- b. in securities where repayment principal and interest is unconditionally guaranteed by a bank.*

The Corporation invests surplus funds in the short-term money market to generate a reasonable return and to ensure a high level of liquidity to meet daily operating requirements.

**Financial Summary**

Branch	2005 - 2006		2004 - 2005	
	Main Estimates		Main Estimates	
	\$000	PYs	\$000	PYs
<b>HEADQUARTERS</b>				
Salary	2,636	24.0	2,274	24.0
Grants & Contributions			0	
Other O&M	1,166		1,149	
<b>Subtotal</b>	<b>3,802</b>		<b>3,423</b>	
<b>DEBT REPAYMENT</b>				
Salary	0		0	
Grants & Contributions	0		0	
Other O&M (includes CMHC contributions*)	28,004		28,003	
<b>Subtotal</b>	<b>28,004</b>		<b>28,003</b>	
<b>DISTRICT OFFICES</b>				
Salary	4,205	40.0	3,656	40.0
Grants & Contributions	0		0	
Other O&M	1,476		1,447	
<b>Subtotal</b>	<b>5,681</b>		<b>5,103</b>	
<b>AFFORDABLE HOUSING</b>				
Salary	576	6.0	490	6.0
Grants & Contributions (includes CMHC contributions*)	72,301		64,227	
Other O&M	35,372		34,038	
<b>Subtotal</b>	<b>108,249</b>		<b>98,755</b>	
<b>TOTAL, FUNDED</b>	<b>145,736</b>		<b>135,284</b>	
* LESS CMHC CONTRIBUTIONS	56,096		56,113	
<b>TOTAL, GN-FUNDED</b>	<b>89,640</b>	<b>70.0</b>	<b>79,171</b>	<b>70.0</b>