

**Nunavut
Housing
Corporation**

**Business
Plan**

2006-2007

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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 LHOs, 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.

The Corporation maintains offices in:

- Iqaluit: Directorate Group, offering services in:
 - Inuktitut/English – Executive Secretary. Tel: 867.975.7200
 - French – Policy Analyst. Tel:867.975.7207
- 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*. In keeping with Nunavut's consensus style of government, *Pinasuaqtavut* has been embraced and affirmed by all members of the Legislative Assembly as our guiding document as we continue to build our territory over the next four years. The Nunavut Housing Corporation's contributions to this vision are highlighted in the following major component sections.

Inuit Qaujimagatuqangit

The NHC continues to move towards an integrated IQ approach to daily business, and plans to bolster its efforts in 2006/2007.

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 met with elders and other housing stakeholders in Arviat for a design charette to identify priority aspects of housing design from arctic and IQ perspectives. The NHC will continue to encourage northern and Nunavut-specific research initiatives and pilot projects as a complement to local input on housing design.

The NHC recognizes the need for accessible housing designs, continues to encourage communities to identify barrier-free unit requirements and other accessibility issues, as well as to provide project assistance whenever possible. For example, in response to feedback already collected over the last two years, NHC District offices were tasked with the in-house design of a new 5-plex model that would meet or beat the CMHC energy efficiency standards. In addition the new model incorporates design elements such as a common kitchen, living, and dining area, to meet the need for a gathering space large enough to accommodate gatherings of extended family and friends for traditional communal activities such as sewing, crafting, feasts and the like.

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 LHOs. Over the past year, the feedback of local people was instrumental in making housing programming more culturally appropriate. The Seniors and Disabled Persons Preventative Maintenance Program is a recent example of the strong emphasis the NHC places on supporting elders and those in the most need of help, two fundamental principles of Inuit Qaujimagatuqangit.

Corporation Decision-Making

The NHC takes a grassroots approach to the incorporation of IQ in Corporation decision-making. A key example is the involvement of LHO managers and chairs in the revision of the LHO Funding Formula. As with the revision of the Public Housing Rent Scale, the NHC held two workshops which gathered the managers and chairpersons of all the LHOs to get their input in what areas of the formula needed updating. Another method of IQ driven decision making is the NHC growing reliance on consensus building and team based solutions. A working group made of representatives from the department of Finance, Local Housing Organizations and the NHC was struck to effectively incorporate the feedback on the LHO funding formula from the workshops.

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. The NHC, in collaboration with our community partners, will finalize in 2006-2007 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 offices incorporate IQ into their daily business in diverse, flexible, and locally based ways. This approach will be continued in 2006/2007 as NHC staff work to meet Nunavut's housing challenges.

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 2006, 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:

- The gradual implementation of the *Nunavut Ten-year Inuit Housing Action Plan*, starting with execution of a tactical plan outlining a two-year plan downpayment on the ten-year plan. This tactical plan suggests the construction of 500 units over 2006-2007/2007-2008 which would sustain the momentum of the joint NHC/NTI lobbying efforts towards meeting the housing need. The *Nunavut Ten-Year Inuit Housing Action 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.
- 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.
- For Nunavummiut who are ready to accept the responsibility of homeownership, the NHC will implement several new initiatives, beginning in 2006:
 - An increased awareness on the benefits of home ownership through information sessions delivered in every community
 - The introduction of a new home ownership program – the Material Assistance Program (MAP) – which will provide clients with a housing material package to their home community as well as technical assistance during the construction phase.
 - A revitalized Nunavut Down payment Assistance Program (NDAP), one that is more in tune with the down payment needs of Nunavummiut in all communities.
- The implementation of a Seniors and Disabled Preventative Maintenance Program which will assist these important clients to retain their homes and increase energy efficiency in the units while reducing operating costs.
- We will continue our liaison with the Department of Community and Government Services and communities to ensure that there is adequate developed land to construct additional houses in all communities.

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:

- Rewriting all Corporation documents, policies and procedures - public and internal - with a view toward ease of understanding and implementation across all publics.
- Compiling in one document all of the NHC homeownership program guidelines and producing public friendly documents to assist in the transition to homeownership.
- 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 is offset by internal GN budgetary adjustments.

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- Investigation of the current block funding model for LHOs and offering suggestions that will ensure the sustainability of the LHOs over the long-term.
- 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 80 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 Qaujimagatungit, 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 renovations go on in every Nunavut community and provide 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-trade and trades training necessary for employment in the housing sector.

INUIT EMPLOYMENT PLAN

Nunavut Housing Corporation Inuit Employment Goals

The Nunavut Housing Corporation is fully committed to reaching the Nunavut Land Claim Inuit Employment goal of 85% by the year 2020 and is on track for meeting the interim goal of 56% Inuit employment by the end of fiscal year 2009 -2010.

The Corporation saw a greatly needed increase in its overall number of positions in 2005-2006 bringing the total number of NHC positions up to 80 from 72. These positions were created in response to a greater need for LHO support in the area of maintenance management and the implementation of the new staff housing strategy.

The increase in total positions for the NHC gives it the opportunity to hire more Inuit. However, it has also skewed the NHC's Inuit employment statistics as a careful look at the following table will show.

To meet the GN target of 56% Inuit employment by the end of fiscal 2009, the NHC will hire on average two beneficiaries per year to bring its total of Inuit staff up from 29 in 2005 to 38 in 2009. The target number of Inuit staff for 2006-2007 is 31. It is important to note that the forecasted Inuit Employment targets are based on a generally accepted 15% vacancy rate.

Departmental Initiatives for 2006-2007 to meet Inuit Employment Goals

The NHC undertook a corporate reorganization at the close of fiscal year 2004-2005 which saw the inclusion of a new managerial position created for the Division of Policy and Planning. This new position was created with an attached internship position to assist the Directorate Office in increasing its Inuit employment statistics while widening the breadth and depth of its Inuit perspective. In 2005-2006 the NHC applied to the Department of Human Resources' Sivuliqtiksat program to enable the NHC to fill this position and start training an appropriate candidate as soon as possible.

To better prepare for its decentralization to Cape Dorset, the Qikiqtaaluk District Office designated two of its community development positions, one for programs and one for technical services, as trainee placements to better enable the district office to hire from the community.

Both of the original incumbents were promoted in 2005-2006 to full-status program and technical officers, opening up their positions for two new hires as community development officers – programs and technical services trainees for 2006-2007.

Departmental Inuit Employment Targets

Inuit Employment Representation	As of March 31, 2005		2006-2007	
	Number (#)	Capacity (%)	Number (#)	Capacity (%)
Total Positions	72	100%	80	100%
Total Filled Positions	63	88%	68	85%
Total Unfilled Positions	9	12%	12	15%
Total Beneficiaries	29	46%	31	46%
Total Trainees	0	0%	1	1%
Total Executive Positions	2	100%	2	100%
Filled Executive Positions	2	100%	2	100%
Unfilled Executive Positions	0	0%	0	0%
Beneficiaries in Executive Positions	1	50%	1	50%
Trainees in Executive Positions	0	0%	0	0%
Total Management Positions	6	100%	6	100%
Filled Management Positions	5	83%	6	100%
Unfilled Management Positions	1	17%	0	0%
Beneficiaries in Management Positions	2	40%	2	40%
Trainees in Management Positions	0	0%	1	16%
Total Middle Management Positions	14	100%	14	100%
Filled Middle Management Positions	14	100%	14	100%
Unfilled Middle Management Positions	0	0%	0	0%
Beneficiaries in Middle Management Positions	3	21%	3	21%
Trainees in Middle Management Positions	0	0%	0	0%
Total Professional Positions	0	100%	0	100%
Filled Professional Positions	0	100%	0	100%
Unfilled Professional Positions	0	100%	0	100%
Beneficiaries in Professional Positions	0	100%	0	100%
Trainees in Professional Positions	0	100%	0	100%
Total Paraprofessional Positions	40	100%	46	100%
Filled Paraprofessional Positions	35	88%	34	74%
Unfilled Paraprofessional Positions	5	13%	12	26%
Beneficiaries in Paraprofessional Positions	15	43%	15	46%
Trainees in Paraprofessional Positions	0	0%	0	0%
Total Administrative Positions	10	100%	12	100%
Filled Administrative Positions	10	100%	10	100%
Unfilled Administrative Positions	0	0%	0	0%
Beneficiaries in Administrative Positions	10	100%	12	100%
Trainees in Administrative Positions	0	0%	0	0%

ENVIRONMENTAL SCAN

Introduction

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.

The *Nunavut Ten-Year Inuit Housing Action Plan*, developed by the NHC and Nunavut Tunngavik INC. (NTI) challenges the federal government to recognize its moral, constitutional and fiduciary responsibility to provide housing for Inuit. The proposal calls for a federal intervention 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 430 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.

During 2005, the Government of Nunavut approved a new staff housing strategy aimed at bolstering the three communities in Nunavut showing signs of emerging private markets. This policy will allow the government to better meet its stated long-term objective of Self-Reliance.

Driven by the urgent need to address its housing crisis and to begin the dismantling of obstacles to the development of private housing markets in Nunavut this strategy will see rents for GN employees living in staff housing increase to market rents over the next ten years. The rate of rent increases is to be accelerated in the emerging market communities of Rankin Inlet, Iqaluit, and Cambridge Bay, to reach market rents in five years. This accelerated schedule is coupled with a plan to withdraw from providing staff housing by 2010 in Iqaluit and 2015 in the other two emerging market communities.

The GN's acknowledgement of the need for strong private sector led markets as an important part of the solution to its housing crisis includes a recognition of the need to concentrate on assisting Nunavummiut who are ready to assume the responsibility for homeownership. To this end the NHC will, in 2006-07, implement two new programs produced in 2005-2006 which will facilitate increasing the numbers of homeowners in all communities.

The new Material Assistance Program will be introduced for 2006-2007. Styled after the popular Homeownership Assistance Program, MAP will provide clients with the materials and cover freight costs of specially designed housing packages up to the high water mark in their community.

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Clients will be responsible for securing bank financing for the remaining costs, such as the labour contractor fees, as well as the foundation, site preparation, insurance, and legal fees.

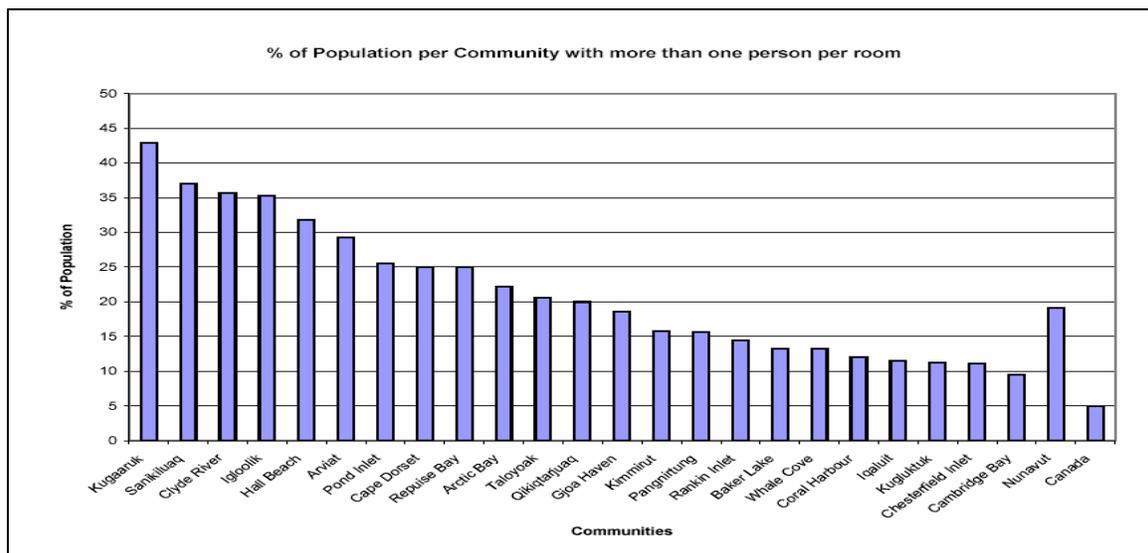
To support our elders and those most in need of assistance, the NHC will also be launching its Seniors and Disabled Preventative Maintenance Program. This program will provide clients with a \$1,500 annual grant to cover necessary annual preventative and general maintenance items as well as various special needs projects. This will improve the client's living conditions by permitting them to remain in their homes longer while increasing their comfort and reducing operating costs.

Housing Need “By the Numbers”

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.

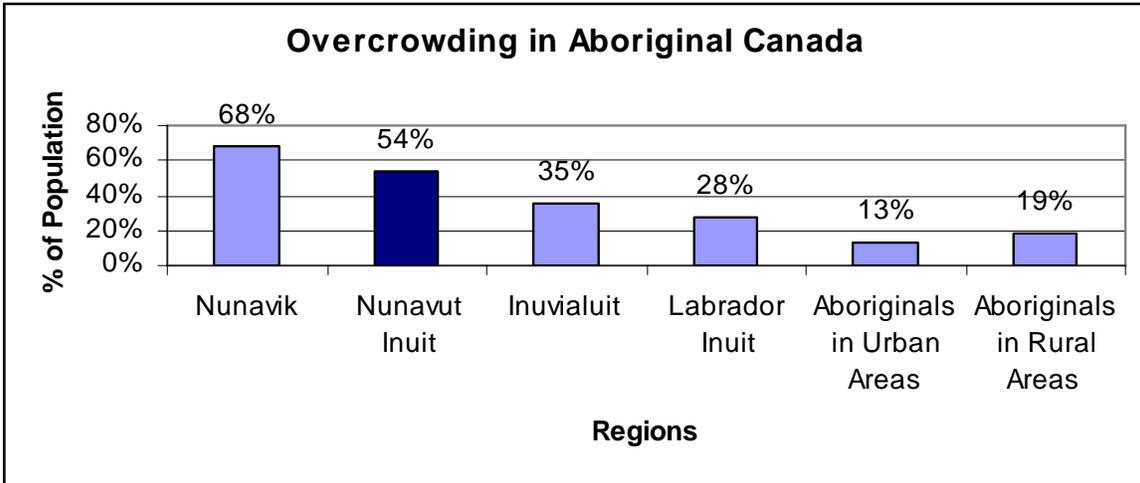
Figure 1: Overcrowding Conditions by Community



Note: Statistics were not available for the communities of Grise Fiord and Resolute Bay
(Source: 2001 Aboriginal Peoples Survey, Community Statistics)

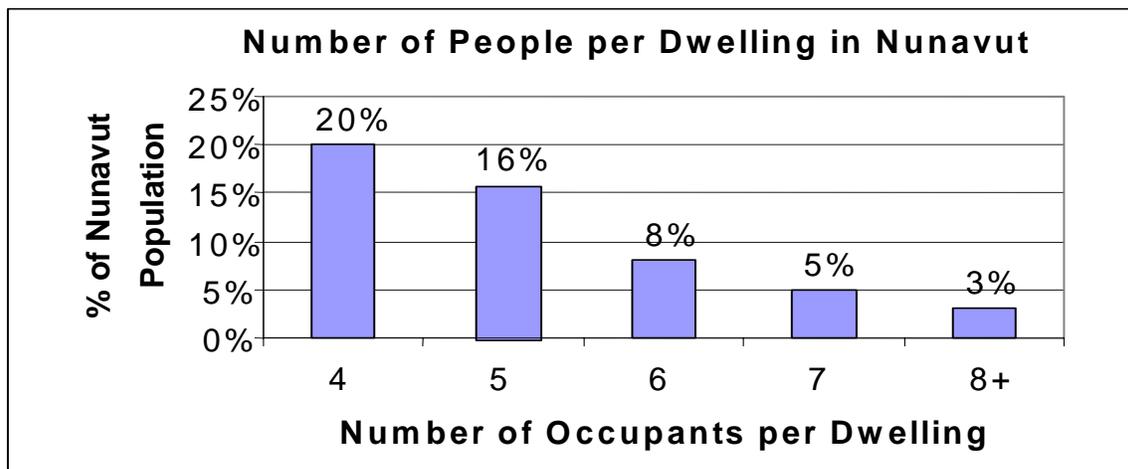
Among Canada's Aboriginal peoples, Inuit in Nunavut experience a 54% rate of overcrowding, second only to Inuit in Nunavik, who experience an overcrowding rate of 68%.

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 430 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%.

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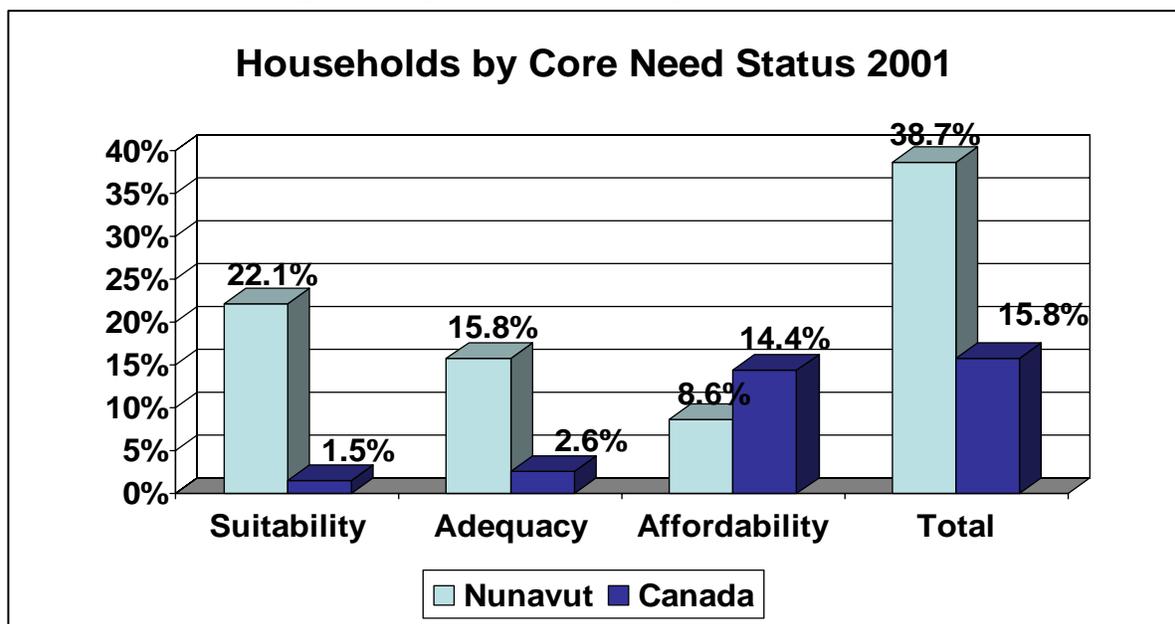
The CMHC Research Highlight: *Geography of Household Growth and Core Housing Need* both reinforces the desperate situation in Nunavut and offers perhaps the most telling statistics to date regarding Nunavut’s housing crisis. CMHC research examines housing core needs in the areas of adequacy, suitability 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 two 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.

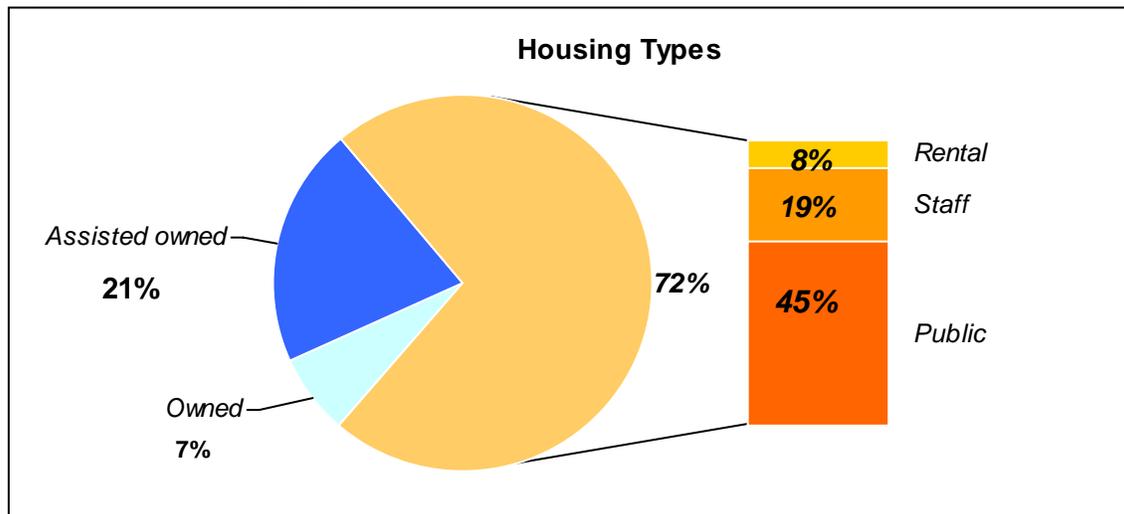
Increasing the number of homes, and improving the condition of existing homes, are crucial steps in beginning to address social problems faced by Nunavut children and families. Inadequate and overcrowded housing can contribute to social and health problems, which in turn can result in higher costs for 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 4,000 Public Housing Program units maintained by the Corporation. Together, the NHC's 3,689 owned and 266 rent supplement Public Housing units represent a total public investment of over \$495 million¹ in the public housing stock across the territory.

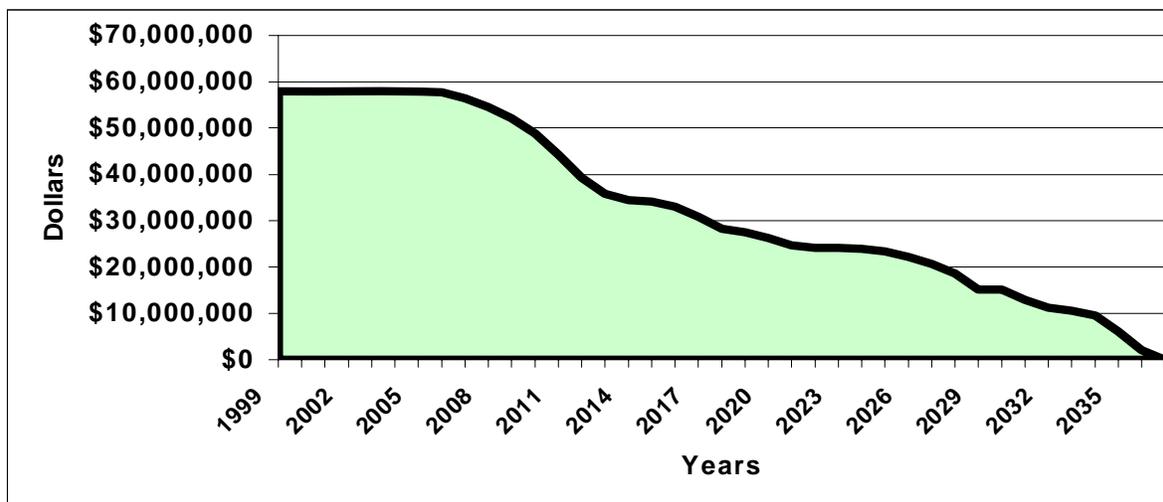
In addition to unilaterally funding the addition of about 300 new public housing units since its establishment as a Corporation in 2000, the NHC invests about \$10 million annually in capital improvements to units. All evidence suggests that reliance on this source of affordable housing will only increase.

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.

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 Nunavut's Current Social Housing O&M

(Source: Nunavut Housing Corporation)



Note: 1996 dollars (no provision for inflation)

¹ NHC 2004/05 Audited Financial Statements

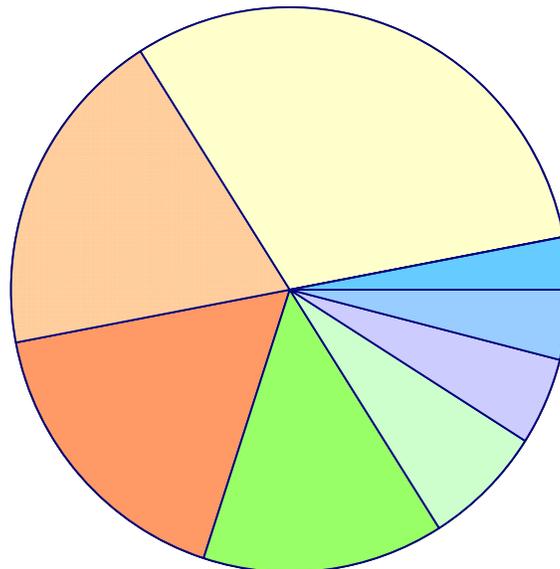
Construction costs also contribute to the rapidly increasing housing costs in Nunavut. It is not expected that this trend will drop off in the near future for Nunavut, or indeed, for the North in general.

The staff housing stock administered by the NHC includes over 1,100² units. Of these, approximately 100 are owned by the NHC; the remainder is 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. For example, 157 condominium units were constructed in 10 Nunavut communities.

The NHC is committed to delivering new and refreshing 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 \$629 per month for fuel, water, garbage, power, insurance, maintenance, and land lease fees (Figure 7). Costs are as high as \$715 in some communities.

Figure 7: Nunavut Shelter Costs (Source: Nunavut Housing Corporation)

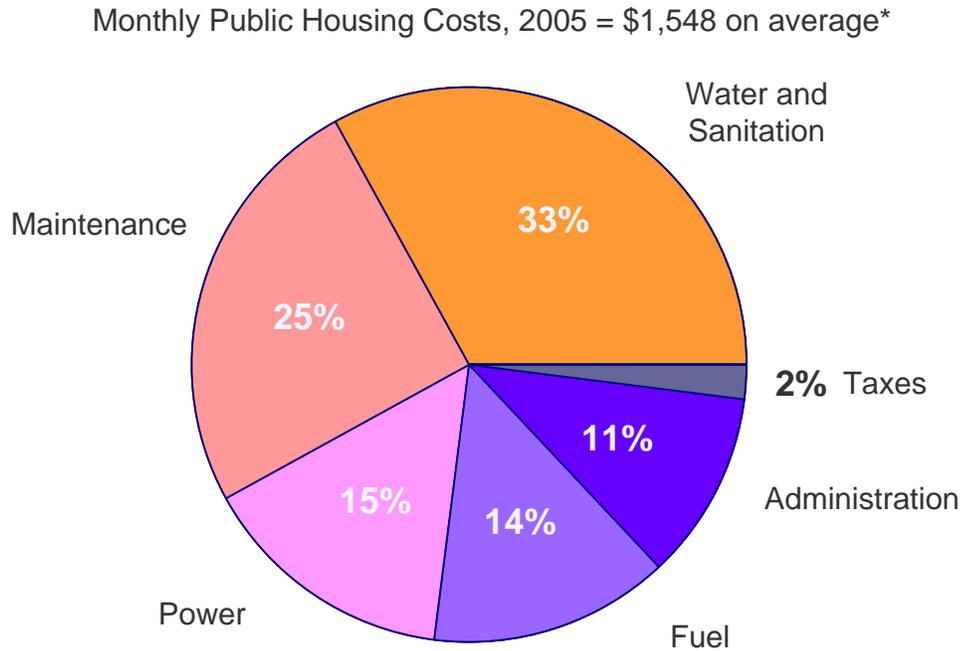


² NHC Unit Inventory
Business Plan

Nunavut Housing Corporation

Public Housing Program costs, principally because of “hidden subsidies” for power, water/sewerage and garbage, continue to escalate (Figure 8).

Figure 8: Nunavut Public Housing Costs (Source: Nunavut Housing Corporation)



*Before depreciation or major renovations

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.
- Addressing the funding formula for our community partners, the Local Housing Organizations.
- Creation of a closer linkage for housing solutions, using the “continuum of care” model with a particular emphasis on homelessness and overcrowding.
- Capital construction and the GN Contracting Procedures/NNI Policy with particular emphasis on Inuit employment and training in NHC-led construction projects through community-based Inuit organizations where possible.

CORE BUSINESS

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

	Budget (\$000)	
	2006-2007	2005-06
Advisory and Administrative Services	9,704	9,483
Public Housing	47,313	44,209
Staff Housing	38,104	35,948
Homeownership *	0	0
TOTAL	95,121	89,640

* Appropriations included in the 2006/2007 Capital Estimates

Advisory and Administrative Services

Advisory and Administrative services for the NHC are provided by a group of housing professionals. A team of eighty 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 LHOs 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 LHOs, and Nunavummiut;
- To increase the awareness and understanding of housing realities in Nunavut both in the territory and nationally.

Programs	Budget (\$000)	2006-07	2005-06
Corporate Governance		353	350
Responsible for managing the Corporation to ensure consistent application of policy, standards and procedure and program delivery throughout Nunavut.			
Corporate Operations		1,452	1,722
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.			

Nunavut Housing Corporation

Corporate Policy and Planning 517 513

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.

Corporate Financial Administration 1,217 1,217

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.

District Program Administration 1,884 1,868

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.

District Financial Administration 1,397 1,386

Fulfills a dual function in providing financial support to the District, and in monitoring, evaluating and assisting LHOs with financial matters.

District Technical Administration 2,884 2,427

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.

Total, Advisory and Administrative Services 9,704 9,483

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.

Status: *Ongoing.*

- 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.

Status: *Ongoing.*

- 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: *Complete, all finance positions in Arviat are filled except one.*

- Integrate feedback from community consultations on long-term housing priorities into the draft Nunavut Housing Strategy.

Status: *Complete, transferred to the 10 year Inuit Housing Action Plan.*

- 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.

Status: *Complete.*

- 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.

Status: *Ongoing, still in the process of committee member selection.*

- 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.

Status: *Ongoing, more work needs to be done in the area of work plans and the logistics of community stays.*

Priorities (2006-07)

- Finalize employee IQ orientation and training package with the development of a policy on community stays.
- Implement tactical plan for the building incremental units as part of the Ten-Year Inuit Housing Action Plan. Where appropriate, community based Inuit firms will be used to construct the units.
- Finalize the mid to long-term implementation plan for the Ten-Year Inuit Housing Action Plan.
- Develop and implement a corporate website to be fully operational by the second quarter of 2006/2007.
- In association with all stakeholders, particularly the Department of Community & Government Services and Municipalities, develop and implement a plan to address land assembly issues.

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

Programs	Budget (\$000)	2006-07	2005-06
Leased Units – Rent Supplement		7,355	7,355
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.			
Administration and Maintenance		23,701	23,701
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.			
Utilities		49,447	46,512
Covers the cost of utilities for the Public Housing Program. Utility expenses include power, fuel, water and sewerage, and garbage collection.			
Taxes and Land Leases		1,681	1,681
Covers the cost of taxes and land lease expenses.			
Debt Recovery		27,973	28,004
Remitted to CMHC to pay down the debt on the public housing portfolio, which is about \$180 million as at March 31, 2005.			
Rental Revenue		(6,948)	(6,948)
LHOs 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		(55,896)	(56,096)
CMHC contributions for Social Housing and own source revenue.			
Total, Public Housing		47,313	44,209

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.

Status: Complete.

- 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.

Status: Ongoing, will be finalized in 2006-2007.

- Develop, with the LHOs, a comprehensive three to five year plan to address the modernization and improvement of the existing public housing stock

Status: Complete.

- 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.

Status: Ongoing.

- Continue to provide capacity-building support to LHOs, the NHC's community partners, as they assist in the delivery of Corporation programs.

Status: Ongoing.

Priorities (2006-07)

- Implement the new funding formula for LHOs and monitor against actual LHO costs.
- Finalize the implementation of the \$40 million Canada-Nunavut Social Housing Strategic Infrastructure Fund Agreement through the delivery and construction of fifteen units in Kugaaruk and five units in Resolute Bay.
- To construct at least twenty incremental public housing units and to maximize Nunavut-wide construction through any additional funding that may become available for new home construction.

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 provide subsidized rental housing to term and indeterminate employees to assist in the recruitment and retention of staff and to facilitate the provision of programs and services to Nunavummiut.

Programs	Budget (\$000)	2006-07	2005-06
Operations		5,372	4,612
Provides the day-to-day operations for the Staff Housing Program in a decentralized environment.			
Leases for Staff Housing Rental Units		32,732	31,336
Representing 90% of the line of business portfolio, provides about 1,100 rental units.			
Total, Staff Housing		38,104	35,948

Priorities (2005-06)

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

Status: *Complete.*

- Finalize, deliver and monitor/evaluate the Staff Housing Policy.

Status: *Complete.*

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

Status: *Complete.*

- Implement the staff housing development and funding strategy as directed by the FMB. Ensure that the development of programming options under the new, comprehensive Staff Housing Policy incorporates IQ through the inclusion of provisions to support families, and of measures to encourage personal and professional development through mobility and tenure options.

Status: *Complete.*

Priorities (2006-07)

- Continue the implementation of the revised GN Staff Housing Policy, including the development of the leasehold attrition plan for Iqaluit during 2006, to be in effect by 2010.
- Develop a leasehold attrition plan for the other emerging market communities of Rankin Inlet and Cambridge Bay.
- Monitor the impact of the new Staff Housing rent increases and the demand for the rental assistance program.
- Construct incremental staff housing in the communities of Whale Cove (3) and Chesterfield Inlet (2).
- Implement the Staff Housing Supply Strategy and ensure that any additional supply is represented in the Capital Plan for 2007 and beyond.

Homeownership

Through its Homeownership Programs and Corporation financing options, the NHC assists residents who can afford the costs of homeownership to secure and maintain their own housing. The Corporation can also provide short-term guarantees for interim financing. As well, client-counseling services are provided to homeowners. These services include, but are not limited to, consultations regarding new construction/renovation, bank financing, home budgeting and energy conservation in the home.

Objectives

- To support new homeowners through down payment assistance, and to support existing homeowners through funding for vital home repair and renovation projects.

Programs Appropriations included in the 2006/2007 Capital Estimates

Nunavut Down Payment Assistance Program

Provides a grant to be used for a down payment towards bank financing: \$15,000 for the purchase of an existing unit, \$25,000 for the construction of a new unit.

Emergency Repair Program

Provides financial help of up to \$15,000 to clients in existing private homes to undertake emergency repairs.

Nunavut Home Renovation Program

Provides financial help of up to \$50,000 to clients in existing private homes to undertake renovations.

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.

Seniors and Disabled Preventative Maintenance Program

Assists Seniors and disabled homeowners to undertake the annual preventative and general maintenance of their homes in order to ensure their continued comfort, safe and healthy occupancy.

Material Assistance Program

Provides a ten-year forgivable loan for a material package delivered to the high-water mark in the client's community. Several fresh, culturally-relevant three and four bedroom single family dwelling designs are available. The client is responsible to obtain financing from a financial institution to pay for the construction cost. The building must be constructed by an NHC recognized contractor.

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.

Priorities (2005-06)

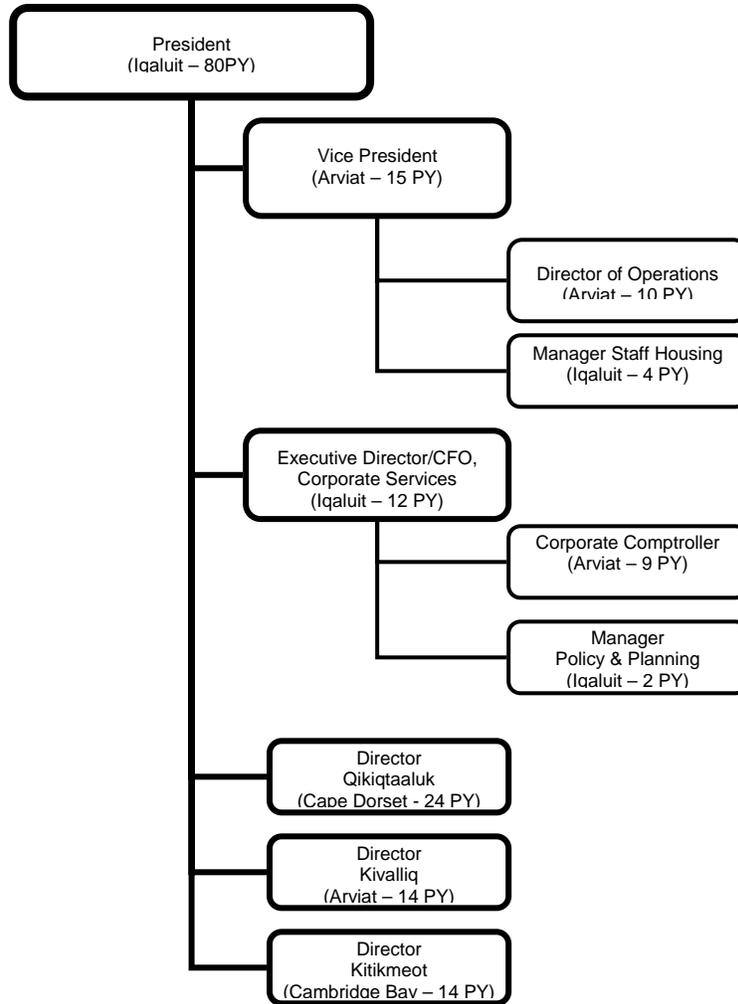
- To monitor and evaluate the effectiveness of the newly created and revised homeowner programs.
Status: Complete.
- Develop an energy efficiency plan to increase the awareness of energy usage by homeowners and to reduce the amount of energy used in their homes.
Status: Ongoing.
- To develop and implement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

Priorities (2006-07)

- Develop and implement a consolidated homeownership programs client database to be operational by March 31, 2007.
- Develop and deliver homeownership information sessions in all Nunavut communities to support the revised GN Staff Housing Policy in all twenty-five (25) communities in 2006/07.
- To implement the Material Assistance Program, providing funding to at least ten (10) clients in 2006/07.
- To monitor and evaluate the Seniors and Disabled Maintenance Program and continue to deliver the program while adjusting for actual numbers of eligible clients (currently estimated at 120) and cost (currently estimated at \$1,500.00).

APPENDIX I: ACCOUNTING STRUCTURE AND FINANCIAL SUMMARY

Accounting Structure Chart



Person Years (PYs)	Total
Vote 1 PYs	80.0
Vote 4/5 PYs	0.0
Revolving Fund PYs	0.0
TOTAL PYs	80.0

Departmental Roles

Directorate

The Executive is responsible for managing the Corporation to ensure consistent application of policy, standards and procedures, 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 LHOs 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 (LHOs)

The Corporation is partnered at the community level with LHOs. LHO staff perform most of the day-to-day duties associated with program delivery to individuals and families. Most LHOs 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 LHOs 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, LHOs provide related administrative and maintenance services. Several LHOs 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 \$180 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	2006 - 2007		2005 - 2006	
	Main Estimates		Main Estimates	
	\$000	PYs	\$000	PYs
HEADQUARTERS				
Salary	2,667	24.0	2,636	24.0
Grants & Contributions				
Other O&M	872		1,166	
Subtotal	3,539		3,802	
DEBT REPAYMENT				
Salary	0		0	
Grants & Contributions	0		0	
Other O&M (includes CMHC contributions*)	27,973		28,004	
Subtotal	27,973		28,004	
DISTRICT OFFICES				
Salary	4,589	44	4,205	40.0
Grants & Contributions			0	
Other O&M	1,576		1,476	
Subtotal	6,165		5,681	
AFFORDABLE HOUSING				
Salary	1,089	12	576	6.0
Grants & Contributions (includes CMHC contributions*)	75,236		72,301	
Other O&M	37,015		35,372	
Subtotal	113,340		108,249	
TOTAL, FUNDED	151,017		145,736	
* LESS CMHC CONTRIBUTIONS	55,896		56,096	
TOTAL, GN-FUNDED	95,121	80	89,640	70.0