



# BC Housing

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40 YEARS

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SERVICE PLAN  
2007/08 – 2009/10

HOUSING MATTERS

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## Message from the Chair and Chief Executive Officer

We are proud that over the past 40 years, BC Housing has remained committed to making a difference in people's lives through housing. We live by our values and ensure that our organization is efficient and accountable for how we spend public funds.

We have shown what can be achieved when challenging targets are set. We embrace the partnerships that allow us to achieve these targets, and are proud of our ongoing relationships with all levels of government, non-profits, co-operatives and the private sector. Collectively, our passions, resources and commitment help us to change people's lives for the better. Our approach is to help those who are most vulnerable or at greatest risk, while also building a more effective system for meeting wider housing and support needs.

When BC Housing first started in 1967, we assisted 1,350 households, supporting mostly seniors and families. This year, that assistance will grow to 98,670 households. From our first partnerships with the federal government to the vibrant and continually evolving partnerships we enjoy today, BC Housing embraces continuous improvements.

We recognize and appreciate the contributions our partners make towards helping British Columbians in need. As we celebrate our 40th anniversary, we are proud of our history and our achievements, but our work is far from done. Ever evolving, BC Housing continues to change to best meet the needs of vulnerable British Columbians.

Last year, the Province launched a new housing strategy, *Housing Matters BC*, aimed at strengthening our response to those in need. *Housing Matters BC* is an action plan that brings together our housing partners to address the challenging issue of affordable housing at its core, rather than manage it at the margins. It reflects a belief that every individual and family needs safe, affordable housing. *Housing Matters BC* sets out new approaches to tackle the personal and social causes of housing need alongside structural issues like housing supply.

That is why, in this three-year plan, we have set a challenging target to build 2,755 new homes by 2009/10, provide financial assistance to another 20,390 low-income seniors and families to live more affordably in the private market and support the administration and long-term maintenance of social housing.

This plan sets out in more detail our strategy for working across Government, with local municipalities and with non-profit-sector agencies and other partners to achieve this aim.

BC Housing's 2007/08 to 2009/10 Service Plan was prepared under our direction in accordance with the *Budget Transparency and Accountability Act*. We are accountable for the contents of the plan, including the selection of performance measures and targets. The plan is consistent with government's strategic priorities and overall strategic plan. All significant assumptions, policy decisions, and identified risks, as of February 2007, have been considered in preparing this plan.

The performance targets in this plan have been determined based on an assessment of BC Housing's operating environment, forecast conditions, risk assessment and past performance. We are accountable for ensuring that BC Housing achieves the specific objectives identified in the plan and for measuring and reporting actual performance. Any significant limitations in the reliability of data are identified in the plan.

We are grateful to everyone who has contributed to the progress achieved over the last 40 years. We look forward to working with all of our partners to build the best system of housing and support in Canada for vulnerable British Columbians.



**Brenda Eaton**  
Chair



**Shayne Ramsay**  
Chief Executive Officer

## Our Business Today

We are a provincial Crown agency and serve our clients using public funds. In order to best meet the needs of the most British Columbians in a cost-effective manner, BC Housing has developed strong partnerships across all levels of government, as well as with the public and private sectors. We strive to maximize the benefits of public funds through leveraging these relationships to provide vulnerable British Columbians with increased housing options.

Finding affordable and appropriate housing can be difficult in British Columbia. In both our small towns and large cities, we continue to see record levels of homeless people in shelters every night, growing numbers of seniors who require supportive and assisted living and increases in the number of low-income families who are experiencing difficulties finding quality housing that they can afford.

These challenges require increased resources, which we are providing. They also require new approaches and a real

transformation in service delivery. We are committed to testing and supporting innovation and positive change.

There are a number of changes to the way we deliver existing housing programs. In order to address gaps within the housing continuum, several initiatives are being undertaken to create a smoother transition from emergency housing to transitional housing and to permanent housing. A new homelessness outreach program is connecting homeless individuals with income assistance, health services and affordable housing. The outreach program complements the Emergency Shelter Program that is being enhanced by converting seasonal beds to year-round shelter. This will help to create an integrated system of housing and support and will ensure a more comprehensive approach to homelessness.

A significant change to the housing continuum is the *Canada/BC Social Housing Agreement*, which transfers the administration of the federal portfolio of about 17,300 social housing units to BC Housing.

This is a tremendous opportunity to harmonize various programs and reduce the administrative burden for housing providers. The Agreement also provides opportunities to look at the redevelopment of existing housing complexes.

We must continue to find innovative ways to support affordable housing, even in times where there are significant risks that are beyond our control such as the rising costs of utilities, insurance and construction. Many developments in our portfolio are aging, necessitating maintenance and improvement programs to ensure that this housing meets the future needs of our tenants. While risks cannot be eliminated, BC Housing has specific risk management processes to minimize or mitigate them.

### Building on successes:

- New Rental Assistance Program to assist low-income families
- Enhanced Shelter Aid For Elderly Renters (SAFER) Program for seniors
- Conversion of 750 existing social housing units to supportive housing for seniors which complements the Independent Living BC program
- Enhanced community support programs for our public housing buildings
- More shelter beds will be available as seasonal beds are converted to year-round shelter beds
- Improved co-ordination of social housing across the province through the administrative transfer of 17,300 federally funded units to BC Housing as of January 15, 2007
- Launch of a new Aboriginal housing supply program

## Our Business Direction

Our goals are bold. In the next three years, BC Housing will focus on initiatives to increase housing options, maintain and administer existing housing and provide and deliver client services cost-effectively. BC Housing evaluates its performance with specific targets and measures, mapping the right indicators for each of our four goals. This will enable BC Housing to modify plans at early stages, and ensure we are on the right track to meeting our goals. The Service Plan ends with a high-level review of the financial outlook for BC Housing.

The Housing Strategy for British Columbia, *Housing Matters BC*, provides the framework for the evolution of the affordable housing sector. The housing strategy focuses our attention in two specific directions:

- Ensuring that individuals or households with special housing needs are given priority access to subsidized housing; and
- Renovating or redeveloping provincially owned subsidized housing to better meet the needs of low-income households with special housing needs.

The strategies outlined in *Housing Matters BC* are client focused. BC Housing is the lead government agency ensuring that the first four of the six provincial strategies (see box at right) are met through a variety of programs and partnerships. The programs and services associated with each of our goals address the needs of a variety of groups at the same time.

We are ensuring that we develop new units at the supportive end of the housing continuum in order to promote individuals' stability, self-reliance and independence. We are building the next generation of social housing with our non-profit, government and private partners;

these are smart and efficient designs that encourage healthy communities through programs such as:

- Independent Living BC, a housing-for-health partnership program designed to meet the needs of seniors and people with disabilities who require some personal assistance, but do not need 24-hour care;
- The Provincial Homelessness Initiative, which provides a comprehensive approach to homelessness, mental illness and addictions by integrating housing with the appropriate support services; and
- A new Aboriginal housing program that will create units specifically for Aboriginals using the funding under the federal Aboriginal Affordable Housing Trust.

Affordable housing options are also being created in the private market through the use of rent assistance. Many low-income families and seniors do not have special housing needs. These households simply do not have enough income to pay rent in private market – there is a gap between their rent and what they can afford to pay. Portable housing allowances that can be

used in the private rental market are an effective way to assist these low-income households. An existing housing allowance program, the Shelter Aid for Elderly Renters (SAFER) program, has successfully assisted many low-income seniors for over 25 years. The Province recently created a new housing allowance program for families, the Rental Assistance Program. The recently expanded SAFER program and the Rental Assistance Program mean greater housing choice and assistance to bridge the affordability gap in the private rental market.

All British Columbians – tenants, First Nations, our housing partners, other levels of government and our employees – will play a role in shaping affordable housing in the future. Working together, we will continue to create housing solutions for healthier futures.

**A housing strategy for British Columbia launched in October 2006, *Housing Matters BC*, sets out six strategies for better meeting the housing needs of British Columbians:**

1. The homeless have access to stable housing with integrated support services
2. B.C.'s most vulnerable citizens receive priority for assistance
3. Aboriginal housing need is addressed
4. Low-income households have improved access to affordable rental housing
5. Homeownership is supported as an avenue to self-sufficiency
6. B.C.'s housing and building regulatory system is safe, stable and efficient

# ORGANIZATIONAL STRUCTURE

## OUR MANDATE

The British Columbia Housing Management Commission (BC Housing) was created in 1967 through an Order-in-Council under the *Housing Act* to fulfill the government's commitment to the development, management and administration of subsidized housing.

## OUR VISION, MISSION AND VALUES

**OUR VISION:** Housing solutions for healthier futures.

**OUR MISSION:** Creating the best system of housing and support for vulnerable British Columbians.

**OUR CORE VALUES:** The following values are reflected in all aspects of our performance. We believe that each person at BC Housing has a role to play in integrating these values into our day-to-day activities and ensuring our success as an organization in delivering our mandate.

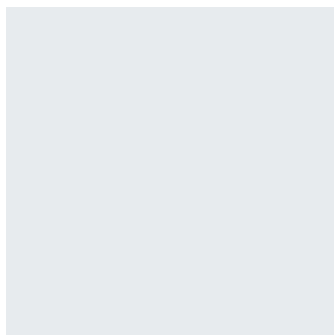
***Integrity:*** We are open, fair and honest in our decisions and interactions with clients, government, the public and each other.

***Respect:*** We treat all people with respect and dignity. BC Housing respects community leadership and relies on local expertise to find solutions to serve those in need.

***Commitment:*** We are committed to making a positive difference in the lives of others by ensuring that BC Housing employees are professional and engaged.

***Service:*** We provide accessible, equitable and responsive service to our clients, housing partners and colleagues by responding to their individual needs.

***Accountability:*** We are conscious of how we spend taxpayers' dollars. We work to ensure accountability to clients, government and the public through effective and efficient delivery of programs and services.





# Governance

## Board of Commissioners

BC Housing is responsible to the Minister of Forests and Range and Minister Responsible for Housing through a Board of Commissioners. The government appoints the board to oversee policy-making for the organization and, in cooperation with senior management, to set the strategic direction. The board also monitors performance based on the Province's planning and reporting principles. The board delegates responsibility for the day-to-day leadership and management to the Chief Executive Officer.

The Board incorporates best practices into its governance procedures as guided by the *Best Practice Guidelines on Governance and Disclosure for Public Sector Organizations*. As requested in the guidelines, BC Housing's disclosure is available on the company's website at [www.bchousing.org](http://www.bchousing.org).

## Standing Committees of the Board of Commissioners

The following three standing committees support the role of the Board of Commissioners in fulfilling its obligations and oversight responsibilities related to audit and risk management, governance and human resources.

### 1. Audit and Risk Management Committee

The purpose of the Committee is to ensure that the audit process, financial reporting, accounting systems, management plans and budgets, and the system of corporate controls and risk management are reliable, efficient and effective.

### 2. Corporate Governance Committee

The purpose of the Committee is to ensure that BC Housing develops and implements an effective approach to corporate governance. This enables the business and affairs of the Commission to be carried out, directed and managed with the objective of enhancing value to government and the public.

### 3. Human Resources Committee

The purpose of the Committee is to provide a focus on senior management human resource and compensation issues.

## Code of Conduct

The Board of Commissioners adheres to the following standards of conduct when exercising its powers and performing the functions of the organization:

- Act honestly, in good faith and in the best interests of BC Housing;
- Exercise care, skill and diligence in decision making; and,
- Follow ethical standards in order to avoid real or apparent conflict of interest between commissioners' private interests and the interests of BC Housing.

The Standards of Conduct guide the conduct for the board, employees, consultants and contractors and suppliers. The code is also available on BC Housing's website at [www.bchousing.org](http://www.bchousing.org).

# Organizational Chart

The following chart highlights BC Housing’s key service areas and the responsibilities and accountabilities in each area. There are 461 full-time-equivalent staff employed across the Commission.



## Relationship to the Provincial Rental Housing Corporation

The Provincial Rental Housing Corporation (PRHC) was incorporated in 1973 under the *Business Corporations Act* and exists solely as BC Housing’s land-holding company. It holds provincially owned social housing properties, and leases residential properties to non-profit societies

and co-operatives. As of March 31, 2006, PRHC held properties with an original cost of over \$400 million.

The Minister Responsible for Housing is the sole shareholder of PRHC. Because of its relationship with BC Housing, PRHC is administered by BC Housing. To ensure the appropriate governance links between the two entities, senior management of

BC Housing serve as PRHC’s Directors. PRHC does not employ any staff.



# The Housing System

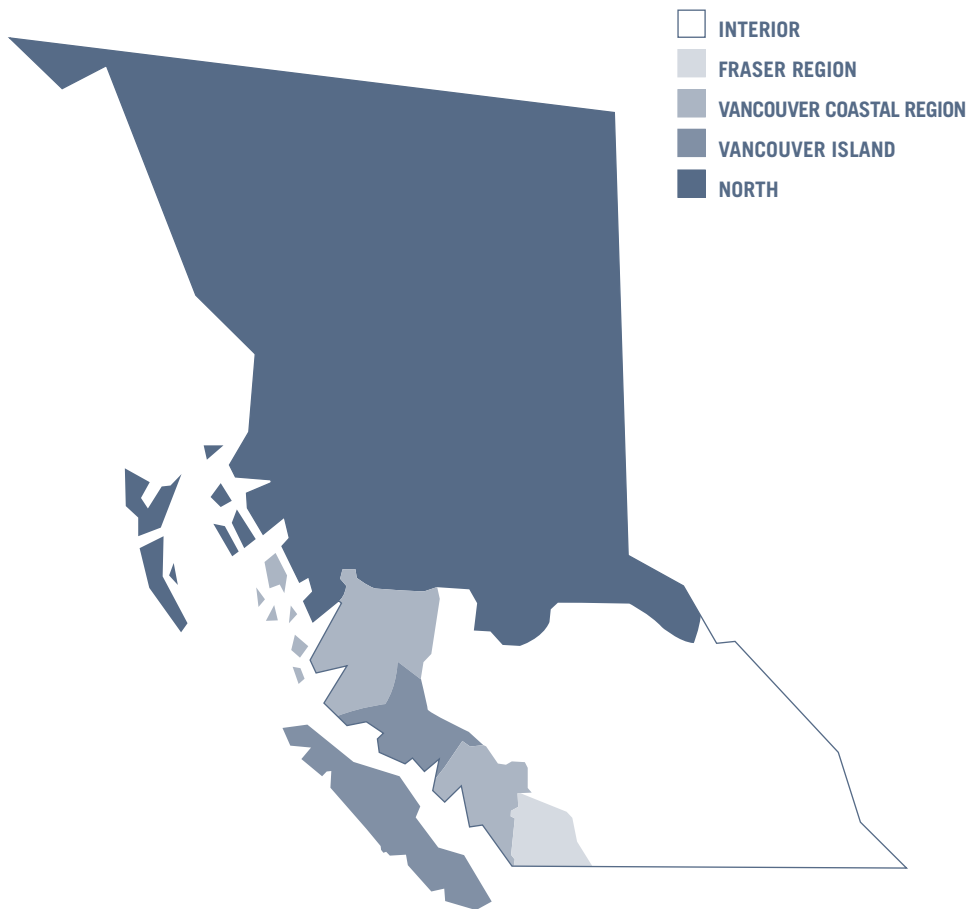
The vast majority of British Columbians are housed successfully in the private housing market. Even with the rising cost of home ownership and renting in our larger urban centres in the past few years, the private market is meeting the majority of housing needs for B.C.'s population. Within this context, government's role is to help ensure that the housing market functions effectively. This means the legislative and regulatory frameworks for building safely balance the needs of the housing construction industry with consumer protection for home buyers; landlords and tenants understand their rights and responsibilities

and have access to dispute-resolution services; and British Columbians have a range of housing options to choose from that are affordable for people with a broad range of incomes.

There are some households, however, which are unable to find suitable housing in the private market because of a combination of factors. In many cases, households spending 50 per cent or more of their income on rent are considered to be in the worst case need, and at risk of economic eviction or homelessness. Government-assisted housing in British

Columbia is administered by BC Housing and targeted to lower-income households, many of whom have complex housing and health needs. Providing assistance to those in crisis is fundamental to our programs and services.

The map below shows BC Housing's service regions. Using 2001 Census data, the tables show the general distribution of approximately 69,000 households paying 50 per cent or more of their income on rent and those assisted in 2006 through the current inventory of subsidized units.



VANCOUVER COASTAL REGION	
Total number of households <sup>1</sup>	380,770
Households spending > 50% of their income on rent	23,000
Households assisted through subsidized housing	32,430
FRASER REGION	
Total number of households <sup>1</sup>	472,485
Households spending > 50% of their income on rent	19,200
Households assisted through subsidized housing	26,010
INTERIOR	
Total number of households <sup>1</sup>	291,125
Households spending > 50% of their income on rent	12,000
Households assisted through subsidized housing	17,120
NORTH	
Total number of households <sup>1</sup>	93,055
Households spending > 50% of their income on rent	4,000
Households assisted through subsidized housing	8,340
VANCOUVER ISLAND	
Total number of households <sup>1</sup>	225,850
Households spending > 50% of their income on rent	11,000
Households assisted through subsidized housing	14,770

<sup>1</sup>Based on 2001 Census data (Note: 2006 Census data is not yet available.)

## Who We Serve

In 2007/08, government-assisted housing will help approximately 98,670 households across the province, with the majority of this housing targeted to those who are most vulnerable. In order to help people move along the continuum and out of emergency or transitional situations (i.e. homeless) to more stable situations (i.e. housed), a combination of housing and supports is needed.

Frail seniors, people at risk of homelessness, people with mental illnesses and physical disabilities, those with drug and alcohol addictions, Aboriginals and youth and families, including women with their children fleeing abusive relationships, represent some of the most vulnerable groups in our society. They need more than a roof over their heads; they need housing with support services in order to lead healthier lives that allow them to participate more fully in their communities. Other households, whose housing problems stem solely from low income, are being helped through rental assistance programs in the private rental housing market, where most already live. Affordable housing is a bridge that allows people to achieve greater stability in their lives and become more capable of moving away from government income or housing assistance.

### Individuals who are Homeless

Homelessness is a growing concern for many communities throughout B.C.

There are a number of challenges to finding appropriate housing for people who are homeless. Some of these challenges are housing-related such as affordability, availability and suitability, while others are related to life events including disabilities, health issues, social exclusion, joblessness and a breakdown of relationships. Whatever the reason, individuals who are homeless require support and assistance to achieve stability and independence. In B.C., research estimates the cost of

homelessness to government health care, social and justice systems at \$30,000 to \$40,000 per person per year.

With a growing homeless population and range of contributing factors and housing solutions, new thinking is needed. What worked five or ten years ago is insufficient for the complexities of today's housing needs. To this end, the 2006 Provincial Housing Strategy, *Housing Matters BC*, marks a new direction in how the province is addressing homelessness.

The Provincial Homelessness Initiative will continue to ensure that homeless individuals have access to stable housing with integrated support services (at least 1,462 new units

will be created by 2009/10). The Emergency Shelter Program will continue to serve as a necessary linkage for seamlessly moving homeless people from emergency shelters to housing with the appropriate supports to help them achieve greater self-sufficiency. New Homeless Outreach Teams will help homeless individuals in more than 20 different communities access these services in their time of need. In 2007/08, BC Housing will provide \$83.7 million to shelter providers and non-profit housing societies to assist more than 3,820 homeless individuals on any given night of the year.

### *Individuals who are homeless*

*Jim Gaffney was a successful shipbuilder/fitter with a family and a home, but then things fell apart – his marriage, his family, his home and his job. Jim had to depend on food banks and emergency shelters, and ended up living under a bridge. Added to this, Jim has struggled with alcoholism for much of his adult life. But in 2006, Jim was living at the Lookout Emergency Aid Society's transition housing in Vancouver. "If you get your self-esteem and self-respect back, if you get a place to live, everything else should fall into place," he said. Affordable housing and addiction treatment contributes to the success of people like Jim.*

## Frail Seniors and Individuals with Special Needs

The changing socio-demographic profile of households represents a significant challenge. The number of senior-led households is expected to increase from 246,000 in 2001 to over 652,000 by 2031.<sup>1</sup> These demographic changes are putting pressure on social housing buildings – where almost 17,930 seniors live. Some seniors may need financial assistance; others

may also require health support as they age in place.

For many British Columbians with special needs, it is not enough that their housing is affordable. Our most vulnerable citizens need a range of support services to help them move to more stable lives, and supportive housing allows them to live independently. The Provincial Housing Strategy *Housing Matters BC* mandates that B.C.'s most vulnerable citizens receive

priority assistance. People who require special-needs housing include those with severe physical disabilities, chronic mental illness, those living with HIV / AIDS, drug and alcohol dependencies and women and children fleeing abusive situations.

This year, BC Housing will spend \$96.2 million to assist approximately 14,610 individuals with special needs and 3,320 frail seniors.

<sup>1</sup> BC Stats, P.E.O.P.L.E. Projections 31.



### Frail seniors

*A spunky 97 year old, Antoinette Pajak, "Toss" to her friends, had found that her health was making it difficult to live on her own. Still wanting to be as independent as possible, Toss feels her new assisted living home at The Wellesley in Victoria is ideal. "My meals are made, I've got more medical attention if I need it, and housework is done for me," she said.*

*Toss's new apartment is subsidized under the Independent Living BC program that provides assisted-living homes to frail seniors and people with disabilities. The program offers a middle option to bridge the gap between home care and residential care for those who need some assistance, but don't want or need 24-hour care.*



### Individuals with special needs

*Kevin Cardinal is a recent graduate of the Addiction Recovery Program, a partnership between BC Housing and Vancouver Coastal Health. The program provides transitional housing to participants, a factor that was key to Kevin's recovery. "It was very important to have a home that was clean and safe," he said. "I was able to stay off the streets and away from the craziness of the Downtown Eastside." Kevin volunteers every week and attends AA meetings, bible study classes and church. He is hoping to complete secondary school and to help others by talking about his struggles as well as his successes. For his outstanding participation in the Addiction Recovery Program and his work with others in recovery, Kevin received the 2006 Karen Rubin Memorial Award.*

## Who We Serve (continued)

### Aboriginal Individuals and Families

More than 28 per cent of off-reserve Aboriginal households are in core housing need compared to 15.8 per cent for all non-aboriginal households. The Provincial Housing Strategy addresses this discrepancy in three key ways: by earmarking

funds to build housing that addresses the large number of Aboriginal people who are homeless; through finalizing the transfer of administration responsibility of Aboriginal subsidized housing to the Aboriginal Housing Management Association; and through linking trades

training for Aboriginal people with the new construction of subsidized housing. BC Housing will spend approximately \$38.5 million to assist 3,200 Aboriginal families and individuals in 2007/08.



#### *Aboriginal individuals and families*

*Brody Vickers lives in Vancouver Native Housing Society's elders' building. "It was hard to make ends meet and to keep up with the rent before I came here," he said. "It's very good here and the people are good to me." The Society offers tenants additional support through programs that create a greater sense of community and recreational services that are offered on site.*

### Low-Income Seniors and Families

Approximately 69,000 households in British Columbia are unable to find housing that is suitable in size and in good repair without spending 50 per cent or more of their income on rent. Adding to this challenge is the extremely low vacancy rate in many urban areas.

For over 25 years, the Shelter Aid for Elderly Renters (SAFER) program has provided assistance for low-income seniors. The budget for this program was doubled in 2005. A similar program for low-income families – the Rental Assistance Program – was also created. This program provides assistance to low-income, working families renting in the private market.

A large portion of BC Housing's budget, approximately \$296.7 million, will assist 73,720 families and seniors to have affordable homes.



#### *Seniors who are renting*

*John, a long-time resident of Chilliwack, has received rent assistance from the Province's Shelter Aid for Elderly Renters (SAFER) program since 1997. "It's always been a lifeline for me," he said. Fortunately, when John had to move to a more expensive home, his SAFER supplement increased. An increase in SAFER's funding meant that John and others like him can rest a little easier.*

#### *Families who are renting*

*Lucrecia Hernandez Ramirez had been on the applicant list for social housing for over three years when she learned about the Province's new Rental Assistance Program. Lucrecia, a single mom, was thrilled when she found out she was eligible. "It's an extra \$150 a month for my rent, which is fantastic," she said.*

## Households Assisted by the Continuum of Housing and Support Services

### Government-Assisted Housing

(Accounts for almost 6% of the province's total housing stock)

*Level of Support Services*

HIGH

MODERATE

LOW

DEPENDENT

INDEPENDENT

3,820



17,930



43,760



33,160



#### Emergency Shelter & Housing for the Homeless

3,820 homeless individuals assisted including:

- › Up to 1,320 homeless served nightly in shelters
- › 2,500 homeless housed

#### Transitional Supportive & Assisted Living

17,930 individuals assisted including:

- › 14,610 people with special needs
- › 3,320 frail seniors

#### Independent Social Housing

43,760 households assisted including:

- › 23,500 low-income seniors
- › 17,060 low-income families
- › 3,200 Aboriginal families and individuals

#### Rent Assistance in the Private Market

33,160 households assisted

- › 18,280 seniors
- › 14,880 families

#### Private Market Rentals

#### Home Ownership



# How We Serve British Columbians

The Province is committed to building the best system of support in Canada for people with disabilities, those with special needs, children at risk and seniors. BC Housing’s role is to assist vulnerable British Columbians in need of affordable and appropriate housing so that they may have healthier futures. We are able to provide this assistance through existing temporary and permanent housing. Where there are gaps in the housing continuum, we work to address these through the creation of new housing options or by adapting existing housing to better meet the needs of vulnerable citizens.

We also want to make it as simple as possible for people to access subsidized housing. And, once people are living in subsidized housing, we want to ensure that they are safe and receive the supports they need to lead healthy lives. Many individuals and families benefit from housing assistance when they need it the most. Affordable housing is a bridge that allows people to return to school, obtain full-time employment, and explore alternative housing options including homeownership. Individuals become more capable of moving away from government income or housing assistance. Every aspect of BC Housing’s business is centred on our clients. To best serve them, we have created relationships with key partners to work together to provide housing options. Below are descriptions of how we do business in partnership.

## Policy Partners

The Office of Housing and Construction Standards, within the Ministry of Forests and Range, is responsible for provincial housing policy, building policy, safety policy and the Residential Tenancy Branch. By working collaboratively, government is able to ensure that housing policy is aligned with programs and services to improve access to safe and stable housing for all British Columbians.

## Delivery Partners

Housing assistance is provided through a number of mechanisms including public, non-profit and co-operative housing, as well as through rent assistance to people

living in the private rental market. BC Housing provides financial, administrative and technical support to its delivery partners, in addition to administering long-term operating agreements and the provision of housing subsidies. BC Housing’s role is one of stewardship and accountability.

## Service Partners

In responding to the needs of British Columbians, access to housing must often be combined with other support services (e.g. income support, health, education, employment and skills training). BC Housing has engaged in innovative service partnerships that integrate housing and support services. These service partnerships involve

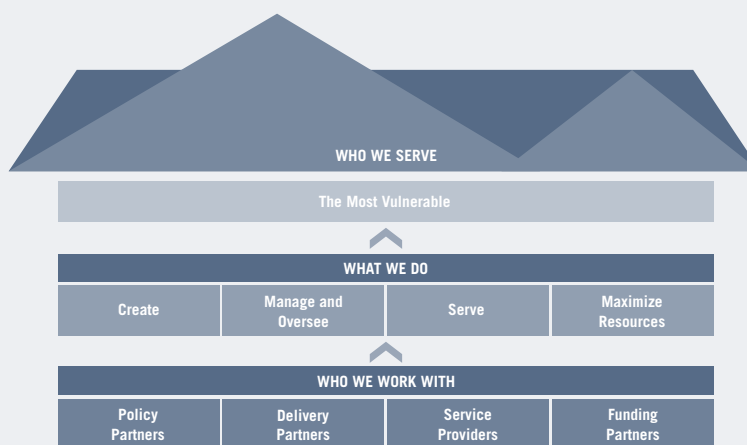
other levels of government, health authorities and service providers.

## Funding Partners

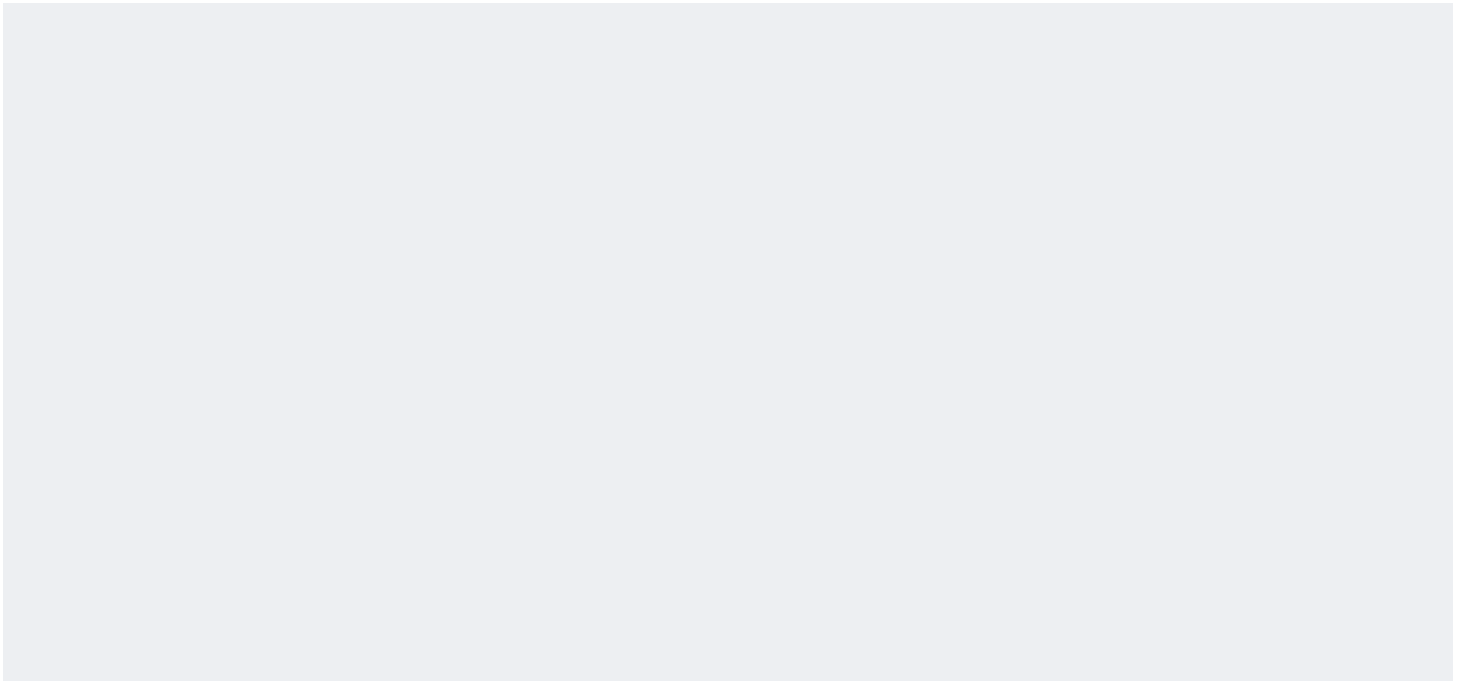
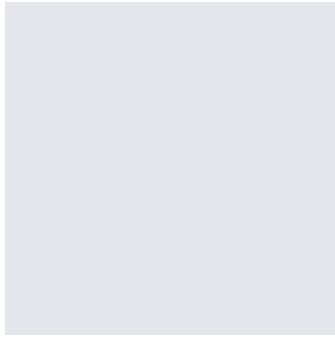
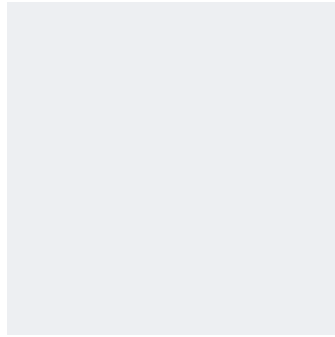
The investment required to create new housing necessitates a partnership model. No one level of government can do it alone. A public-private partnership model for the development of new housing combines funds from all levels of government and leverages private, non-profit and charitable sources. Once built, funding for the ongoing delivery of government-subsidized housing comes from a number of different partners including BC Housing, other provincial ministries and the federal government.

## KEY RELATIONSHIPS

*The diagram at right illustrates BC Housing’s relationships with our key partners and how we work together to provide housing options. Every aspect of our business is centred on our clients. Using this client-centred approach, and in co-operation with our partners, BC Housing creates, manages and maximizes resources in order to ensure that housing needs are met for vulnerable British Columbians.*



# STRATEGIC CONTEXT





# Planning Context and Key Strategic Issues

Our success in meeting our goals, objectives, strategies and measures is influenced by many external factors. The following is a summary of internal and external challenges and opportunities that could affect BC Housing's ability to meet our performance targets. A risk-management approach is used to assess challenges and opportunities, and to determine the appropriate strategies for responding.

## CHALLENGES

### Market Pressures

- B.C.'s current housing environment adds to the challenges of housing need. Very few rental housing units are being built, and in our urban centres, rents are unaffordable for many people. Additionally, existing rental buildings are diminishing as property owners pursue redevelopment opportunities. The challenges related to new supply programs include rising construction costs, which are up by more than 40 per cent over the last four years. The cost drivers include significant increases in the cost of materials and skilled labour shortages, resulting in both increased labour costs and delays in project completion.

### Maintenance of the Social Housing Portfolio

- Many of the buildings that make up the public housing portfolio are aging and their mortgages are beginning to expire. Maintenance and capital-replacement costs will need to be increased for some buildings in order to ensure compliance with current health and safety standards.
- With these challenges comes an opportunity to renovate these buildings to better meet the needs of tenants and/or to accommodate support services. Some developments benefit from new funding to convert 750 units of social housing to supportive housing.

- Other buildings that occupy under-utilized land may be redeveloped, providing a number of significant opportunities. Working in partnership with the private and non-profit sectors, these lands can become mixed-income communities with subsidized housing more fully integrated into larger communities. Any proceeds from redevelopment of public housing will be reinvested back into affordable housing. As BC Housing moves forward on redevelopment initiatives, we will ensure that no resident will be left without housing assistance.

### Not-In-My-Back-Yard (NIMBY)

- New housing developments for vulnerable citizens can generate fear because some people may harbour various assumptions and stereotypes about the individuals who will live in these developments. As a result, opposition referred to as "Not-In-My-Back-Yard" (NIMBY) emerges.
- As BC Housing focuses on constructing new housing for vulnerable tenants, in a handful of cases strong opposition has emerged to the developments as a result of fear and uncertainty. This type of opposition creates difficulties in making progress to address homelessness. BC Housing is working to ensure that surrounding communities learn more about the developments and that the general public and local governments are able to deal with public opposition so that consensus can be more easily achieved to move projects forward. We need to make better use of our local land base, shorten processing times and reduce the burden of fees and charges. The time to

act is now; local governments have a role to play in helping the province bring down those barriers.

- BC Housing is working with municipalities to ensure information is provided for public dissemination to address the fear and uncertainty at the root of the opposition to new housing developments.

### Allocation of Resources

- Some British Columbians have difficulty in meeting their housing needs, with almost 16 per cent of households in core housing need. People representing more than 15,237 households have filled out applications for subsidized housing. Therefore, housing resources must be used as efficiently and effectively as possible to ensure that those in the greatest housing need are given priority.

### Internal Capacity

- An aging population is changing the dynamics of attracting skilled people at the same time as many employees are retiring or are becoming eligible to retire. Short-term economic growth is outstripping resource capacity with consequent pressure on labour availability and cost. The shortage of capable labour and the potential loss of intellectual capital poses a risk to BC Housing's ability to meet our commitment to excellence in client service, project development and ensuring the quality of our housing portfolio.

- In BC Housing's current workforce, the percentage of employees who are eligible to retire on the basis of having reached age 55 or over, exclusive of their pensionable status, is approximately 23 per cent in 2007. This will grow to 38 per cent over the next five years, and 58 per cent within the next 10 years. BC Housing is striving to recruit and retain skilled, creative, committed employees for today and the future. We want to ensure an engaged workforce for the benefit of all clients and stakeholders by strengthening our culture that values people and performance.

### Changing Demographics

- It is clear that the challenges of addressing housing need in B.C. are much different than they were a decade ago. Studies tell us that the number of people who are homeless has increased and their overall health is declining. Our population is aging and this increases demand for affordable housing with support services. The number of Aboriginal people who are homeless or in core housing need is unacceptably high.

## OPPORTUNITIES

### Inter-Ministerial Co-ordination and Collaboration

- As part of the Premier's Task Force on Homelessness, Mental Illness and Addictions, BC Housing has been working in partnership with provincial ministries and health authorities to develop permanent, long-term housing and outreach strategies to respond to homelessness and the needs of those who are most vulnerable.

### The Emergency Shelter System as part of the Continuum of Housing

- The provincial government transferred responsibility for the administration of emergency shelters, cold wet weather beds and extreme wet weather beds from the Ministry of Employment and Income Assistance to BC Housing late in 2005. This administrative change has provided an opportunity to integrate emergency housing with the housing programs and services provided by BC Housing in order to better support those who are homeless or formerly homeless. Harmonizing the housing portfolio and finding administrative efficiencies between housing and shelter programs are key priorities in this transition. The portfolio also provides some challenges as the capacity amongst the shelter providers is quite diverse; statistical analysis and reporting is difficult because of the limited technological capacity within the sector and some shelters require maintenance and capital replacement.

### Enhanced Federal-Provincial Relationship

- The federal government recently announced a contribution of \$106 million to help address short-term pressures with regard to the supply of affordable housing. This funding will flow to BC Housing from 2006/07 to 2008/09, and will provide the province with important partnership opportunities to meet its housing priorities. The funding may not be used for ongoing operating costs including rent supplements.

### Integration of Social Housing Across the Province (Devolution)

- In January 2007, the federal government transferred the administration of 17,300 units within the federal social-housing portfolio to BC Housing. Devolution creates the potential for the redevelopment and conversion of social housing in keeping with the B.C. government's housing priorities, as well as allowing for increased administrative and operational efficiencies.

### Aboriginal Capacity Building

- BC Housing is working closely with Aboriginal Housing Management Association (AHMA) to ensure the successful transition and management of the federal Aboriginal housing portfolio. Currently, AHMA is managing 322 units of Urban Native Housing, and has been doing so successfully since 2004. BC Housing staff have been working with AHMA to share knowledge and technical expertise for project management, such as administration of Operating Agreements, operational reviews,

## Planning Context and Key Strategic Issues (continued)

including reviewing financial statements, assisting groups with budget preparation and property management issues. This Aboriginal self-management model for social housing is the first of its kind in Canada.

- In addition, an Off-Reserve Aboriginal Housing Trust has been created to help provinces address short-term housing needs for Aboriginal Canadians living off reserve. Funding of \$50.9 million will flow to BC Housing in 2007 / 08 and in 2008 / 09. BC Housing will work in consultation with the AHMA and other Aboriginal housing providers to select appropriate projects and allocate capital grants to construct new units of housing for Aboriginal households across the province.

### Public-Private Partnerships (P3)

- BC Housing has entered into a number of innovative partnership initiatives with municipalities, non-profit societies, the private sector and other housing partners, which have leveraged the creation of additional housing units outside of the traditional program approach. These partnerships have been designed to respond to local housing challenges and have created additional units without the need for ongoing operating subsidies. They are great opportunities for BC Housing to work with communities to move projects forward faster.

### Effective Management Strategies

- BC Housing is actively engaged in identifying strategies to streamline and improve program administration, reduce costs and promote sustainability. Initiatives expected to realize considerable efficiencies and cost savings over the next three years include projects to reform operating agreements with housing providers and develop revenue generation and retention policies for housing providers. The devolution agreement with the federal government provides an opportunity to harmonize programs, simplify reporting requirements, reduce administrative burdens and improve program effectiveness. As well, by creating incentives for housing providers to explore new ways of generating revenues or controlling costs, housing providers can take some of the pressure off their budgets.
- Continuous business improvement is a corporate priority for BC Housing. With the implementation of our new information technology system, we are working our way through a major business initiative to ensure our administrative practices meet or exceed industry standards.

### Sector Sustainability

- The non-profit sector is key in the delivery of the social housing in British Columbia. About 56 per cent of social housing is provided by the non-profit and co-operative housing sector. Almost 50 per cent of these providers are responsible for a single housing development. BC Housing is working closely with the BC Non-Profit Housing Association (BCNPHA) to ensure the sector remains robust. BC Housing and BCNPHA share common goals in working on strategies that will promote greater resource and information sharing, governance and administrative models to protect non-profit and co-operative housing for the long term.

### Sound Sustainability Practices

- BC Housing is committed to reducing its environmental impact and creating healthier homes and workplaces for tenants and employees. Wherever possible, we evaluate environmental impacts while considering fiscal and operational needs by employing energy-efficiency measures and sustainable practices in our new construction projects, repair and improvements to existing buildings and day-to-day operations. BC Housing has aligned its targets for energy and greenhouse gas emission reduction with those of the Government of British Columbia and is a recognized BC Hydro Power Smart Partner.

# Key Risks, Sensitivities and Risk Mitigation Strategies

BC Housing uses an enterprise-wide, risk-management approach to identify and manage risks. All key operating departments determine risks, challenges and opportunities. Risk management strategies are then employed to balance current and future market and budget pressures with timing and implementation strategies.

KEY RISKS	SENSITIVITIES	RISK MITIGATION STRATEGIES
Mortgage/ interest rate fluctuations	<ul style="list-style-type: none"> <li>a 1 per cent increase above the budgeted mortgage rate would increase housing subsidies by about \$2.0 million in 2007/08 and up to \$7.0 million in 2009/10</li> </ul>	<ul style="list-style-type: none"> <li>bulk tendering of mortgages</li> <li>laddered renewal dates with less than 20 per cent of portfolio renewed in a year</li> <li>staggered mortgage terms</li> <li>locked-in longer mortgage terms at lower interest rates</li> <li>low-interest construction financing to reduce new housing capital costs, thereby reducing ongoing subsidies</li> </ul>
Construction cost increases	<ul style="list-style-type: none"> <li>market influences – material costs, availability of skilled labour and insurance costs</li> <li>\$10,000 per-unit construction cost increase could equate to annual provincial subsidy increases of \$1.6 million by 2009/10</li> </ul>	<ul style="list-style-type: none"> <li>alternative procurement methods, including construction management</li> <li>bundling of similar projects</li> <li>eligibility rosters</li> <li>alternative construction forms including modular construction</li> </ul>
Building envelope repair cost increases	<ul style="list-style-type: none"> <li>cost estimates are subject to revision pending tear off of building envelopes and inspection of actual damage</li> <li>significant cost increases and delays to repairs already planned could further delay the target completion date, resulting in more serious deterioration</li> </ul>	<ul style="list-style-type: none"> <li>long-term repair strategies including detailed examinations of at-risk buildings</li> <li>accelerated repair program</li> <li>implementation of design and construction standards incorporating recommended building techniques</li> <li>rigorous maintenance programs for all new and repaired projects</li> <li>pre-qualified skilled and specialized contractors</li> <li>cost recovery, where feasible and warranted, from parties responsible for design, construction and inspection of buildings</li> </ul>
Lower incomes of housing tenants	<ul style="list-style-type: none"> <li>a 1 per cent reduction in family incomes would reduce tenant rent revenues by \$1.4 million for both public housing and non-profit housing</li> </ul>	<ul style="list-style-type: none"> <li>reduction in bad debts and increased recovery</li> <li>revenue generation and non-profit revenue retention policy</li> </ul>
Capital asset repairs	<ul style="list-style-type: none"> <li>aging housing buildings require significant repairs to maintain health, safety and livability</li> </ul>	<ul style="list-style-type: none"> <li>redevelopment; pro-active and preventative maintenance programs prioritizing repairs</li> <li>implementation of sustainable, comprehensive strategies that yield lower maintenance costs in the future</li> </ul>
Higher heating costs	<ul style="list-style-type: none"> <li>a \$1 increase per gigajoule in the price of natural gas would increase the budgeted estimates by approximately \$1.5 million in 2007/08</li> </ul>	<ul style="list-style-type: none"> <li>development of a retrofit strategy</li> <li>implementation and installation of energy efficient equipment resulting in reduced energy consumption</li> </ul>
Higher inflation	<ul style="list-style-type: none"> <li>a 1 per cent increase above the budgeted consumer price index would increase expenses by \$0.5 million in 2007/08</li> </ul>	<ul style="list-style-type: none"> <li>bulk purchasing for insurance, natural gas and appliances</li> <li>best practices by housing providers</li> </ul>

## Alignment with Government's Goals

Among the priorities identified in the provincial government's 2006/07 to 2008/09 Service Plan is the goal to build the best system of support in Canada for persons with disabilities, those with special needs, children at risk and seniors. Housing represents a critical part of this system.

BC Housing aligns its business activities with government's housing priorities and reports to the Minister of Forests and Range and Minister Responsible for Housing.

A key component of the governance framework is the *Shareholder's Letter of Expectations*. The letter describes the relationship between BC Housing and the provincial government, and mandates direction from government to BC Housing. The *Shareholder's Letter of Expectations* is designed to ensure a mutual understanding between the shareholder and BC Housing on key governance issues, corporate mandate, core services, public policy issues, strategic priorities and performance expectations.

As set out in the *Shareholder's Letter of Expectations*, BC Housing's priority is to fulfill the government's commitment to meeting the housing needs of vulnerable British Columbians.

The following chart reflects the alignment between the government's key strategic directions and BC Housing's goals and objectives.

### GOVERNMENT'S STRATEGIC GOAL

Build the best system of support in Canada for persons with disabilities, those with special needs, children at risk and seniors.



### SHAREHOLDER'S LETTER OF EXPECTATIONS

Within the 2006 / 07 budget confirmed for the corporation, ensure effective planning for, and management and delivery of, housing programs and services, by:

- Working in partnership with provincial health authorities, non-profit and private, local government and others to deliver the Independent Living BC program;
- Completing the *Provincial Housing Program* by 2006/07;
- Working with other provincial ministries and health authorities to establish long-term housing and support services to respond to the needs of homeless/at risk individuals;
- Harmonizing the federal social housing portfolio with the provincial social housing portfolio (federal devolution agreement effective April 1, 2006);
- Supporting Aboriginal capacity building in the area of housing and transferring administration of additional housing units to the Aboriginal Housing Management Association;
- Initiating comprehensive re-development plans for appropriate subsidized housing sites to further the objectives of the provincial housing strategy; and
- Improving access to, and maximizing use of, public housing for those with complex housing and health needs.



### BC HOUSING'S GOALS AND OBJECTIVES

**Goal:** Respond to gaps in the housing continuum

- Objectives:**
- Increasing housing options
  - Adapt existing housing to target resources to the most vulnerable

**Goal:** Protect and manage existing housing for the long term

- Objectives:**
- Maintain the quality of existing assets
  - Adequate provision for future requirements

**Goal:** Provide access to appropriate housing and services for vulnerable British Columbians

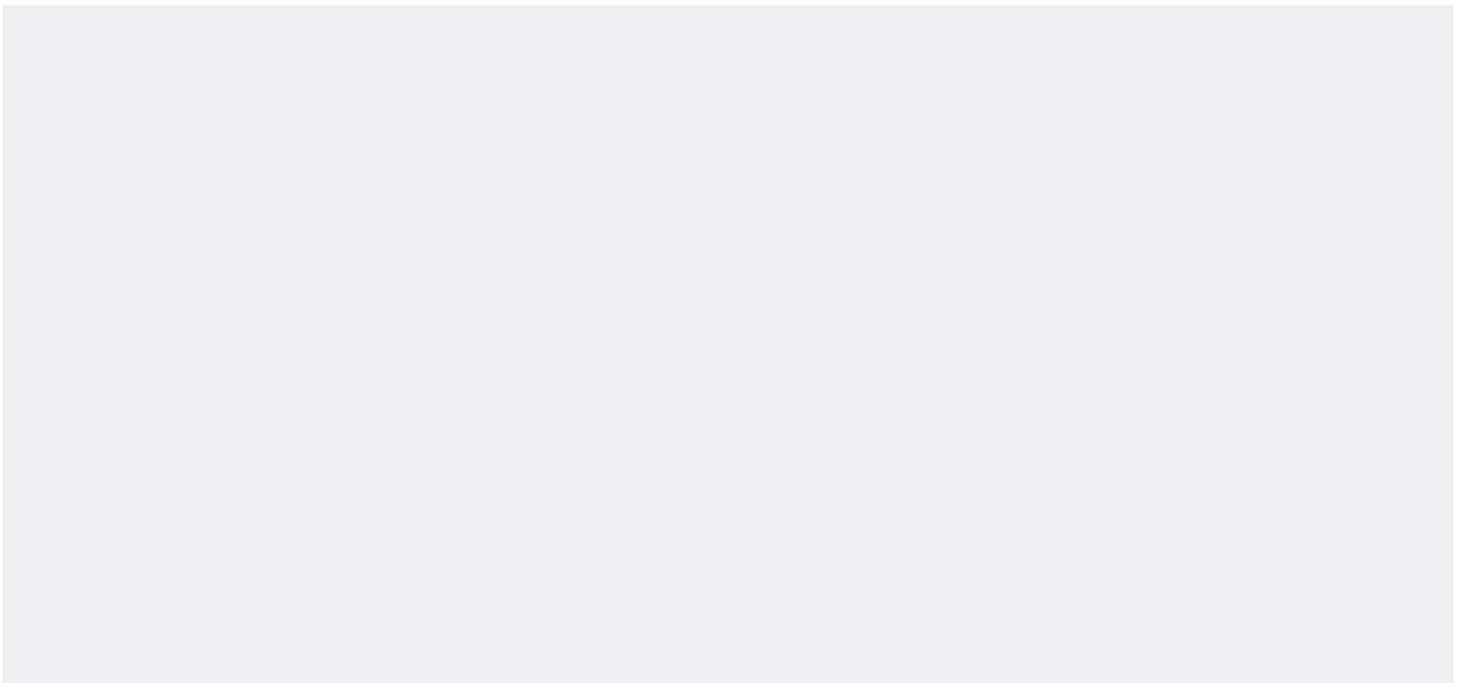
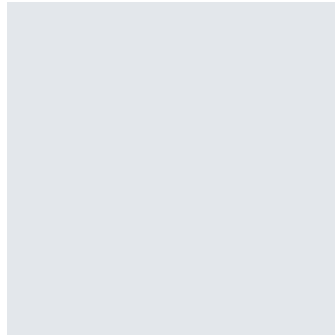
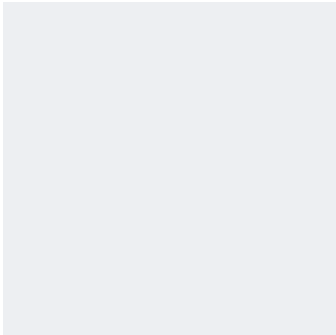
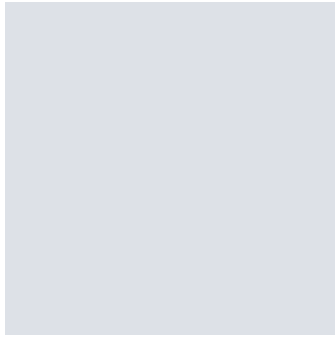
- Objectives:**
- Ease of access to housing
  - Available housing targeted to the most vulnerable

**Goal:** Organizational excellence

- Objectives:**
- Financial and operating success
  - High level of employee engagement



# PERFORMANCE MEASUREMENT FRAMEWORK



# 2007 / 2008 Performance Measurement Framework

We are focused on ensuring alignment with a few critical aspects of our performance; continually strengthening our reporting and measurement framework; and establishing strong linkages with government's key strategies. BC Housing's Performance Measurement Framework (PMF) is structured around four goals. Included in this section is a discussion of the objectives and strategies employed to reach each goal. The key measures allow us to monitor and report results. Also discussed is the importance of the new Provincial Housing Strategy – *Housing Matters BC*, and the role that it plays in shaping the PMF that constitutes this section.

## LINKING GOALS AND RESULTS

### GOVERNMENT'S STRATEGIC GOAL

Build the best system of support in Canada for persons with disabilities, those with special needs, children at risk and seniors.

Core Business Areas	Goals	Objectives	Measures
Increasing housing options	Respond to gaps in the housing continuum	Increasing housing options	Number of new units/beds created in priority areas
		Adapt existing housing to target resources to the most vulnerable	Number of new households assisted through rent assistance programs (New) Number of existing units adapted to higher priority needs
Maintaining and administering existing housing	Protect and manage existing housing for the long term	Maintain the quality of existing assets	Percentage of clients reporting satisfaction with the quality and safety of their housing
		Adequate provision for future requirements	Percentage of social housing providers meeting financial and operational standards (Revised) Ratio of replacement reserve contributions to actual expenditures (Revised)
Providing client services	Provide access to appropriate housing and services for vulnerable British Columbians	Ease of access to housing	Percentage of nights where shelters are at full occupancy
		Available housing targeted to the most vulnerable	Percentage of new applicants reporting satisfaction with the process Percentage of clients belonging to priority groups
Delivering services cost-effectively	Organizational excellence	Financial and operating success	Controllable administration costs as percentage of program delivery costs
		High level of employee engagement	Per-square-foot construction costs Employee engagement index



## Goal 1 Respond to Gaps in the Housing Continuum

Housing need can be viewed along a continuum that ranges from emergency shelters to independent housing in the private market. BC Housing plays an important role in filling gaps in this housing continuum by either adapting existing housing or creating new options to better meet the needs of priority groups.

New housing units are built under the following programs: Independent Living BC (ILBC), the Provincial Homelessness Initiative (PHI) and Community Partnership Initiatives (CPI). There are also rent assistance programs that make it more affordable to live in the private market. Through working in partnership with all levels of government and other key stakeholders, we can facilitate an expanded range of housing options for those in need.



Within the context of this goal, we have three specific strategies:

1. Expanding the supply of existing units through the delivery of targeted housing programs in partnership with other levels of government as well as key community and private-sector partners;
2. Providing assistance to individuals and households renting in the private market through the Province's SAFER program (Shelter Aid for Elderly Renters) and the recently announced Rental Assistance Program for low-income families; and,
3. Adapting existing buildings to target resources to the most vulnerable.

### KEY PROVINCIAL HOUSING PROGRAMS AND INITIATIVES

#### Independent Living BC (ILBC)

A housing-for-health partnership program for seniors and people with disabilities who require some personal assistance but who do not need 24-hour facility care.

#### The Provincial Homelessness Initiative (PHI)

An initiative emerging from the Premier's Task Force on Homelessness, Mental Illness and Addictions that works with community partners to put into place transitional and supportive housing solutions for individuals who are homeless or at risk of becoming homeless.

#### Community Partnership Initiatives (CPI)

Through the provision of one-time grants, access to consulting services, project development funding and construction and long-term financing, BC Housing supports the creation of additional housing without the need for ongoing operating subsidies.

#### Rent Assistance Programs for Families and Seniors in the Private Market

SAFER (Shelter Aid for Elderly Renters) and the government's new Rental Assistance Program provides direct financial assistance to low-income families and seniors in the private market in order to help close the gap between their rent and what they can afford to pay.

## Goal 1 Respond to Gaps in the Housing Continuum (continued)

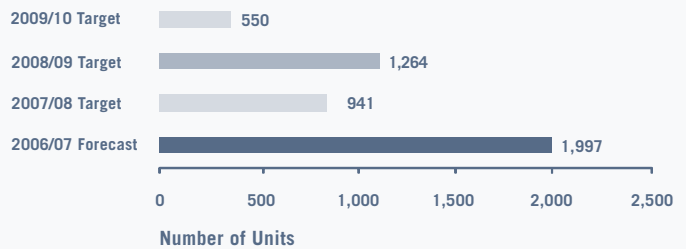
### OBJECTIVE: INCREASING HOUSING OPTIONS

#### MEASURE: NUMBER OF NEW UNITS / BEDS CREATED IN PRIORITY AREAS

##### Importance of the Measure

The Province is committed to ensuring that B.C.'s most vulnerable citizens receive priority for assistance. Part of this commitment is creating new units/beds on the supportive end of the continuum of housing. For this reason, government has committed significant funding for the creation of new buildings in a cost effective manner through programs such as ILBC and PHI.

The ILBC and PHI programs add new units for priority groups such as frail seniors, Aboriginal households, persons with physical and mental disabilities as well as individuals who are homeless, many of whom are dealing with mental illness, addictions, and other challenges. The figures shown here reflect the number of units for which funding has been committed under ILBC, PHI and Aboriginal Housing Programs. As other programs and resources are added or new priorities identified, the targets will be adjusted upward.

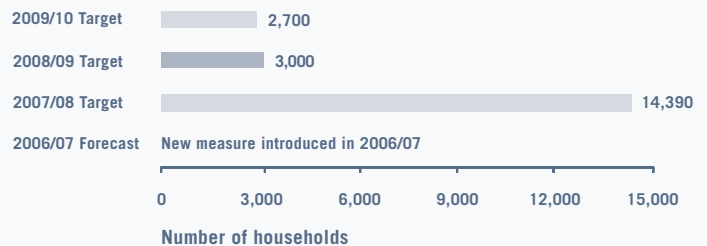


#### MEASURE: NUMBER OF NEW HOUSEHOLDS ASSISTED THROUGH RENT ASSISTANCE PROGRAMS

##### Importance of the Measure

Rent assistance programs assist families, seniors and individuals who do not have enough income to find housing in the private market. The Province funds a number of rent assistance programs including the Shelter Aid for Elderly Renters (SAFER) program, which is targeted to seniors, and the Rental Assistance Program, which is targeted to working families. The Rental Assistance Program was announced as part of the Provincial Housing Strategy in October 2006. This assistance helps to bridge the gap between what a household can afford to pay and helps to provide greater housing choices in the private market.

By the end of 2007/08, it is expected that rent assistance will be provided to more than 33,000 households. The targets reflect the number of new households that are expected to apply for assistance based on historical take-up patterns. The 2007/08 target is substantially higher than future years because of the expansion in eligibility criteria, which will bring in a significant number of new applications in 2007. Thereafter, based on historical patterns of similar programs, the volume is expected to moderate.



\* This is a new measure.

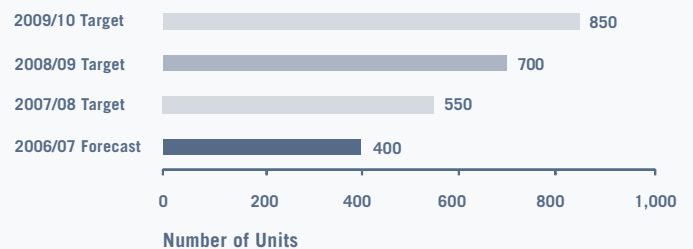
## OBJECTIVE: ADAPT EXISTING HOUSING TO TARGET RESOURCES TO THE MOST VULNERABLE

### MEASURE: NUMBER OF EXISTING UNITS ADAPTED TO HIGHER PRIORITY NEEDS

#### Importance of the Measure

The Provincial Housing Strategy stresses the importance of ensuring that those who are most vulnerable receive priority for housing assistance. One way to meet these needs is through the conversion, adaptation or re-targeting of existing social housing units. Partnerships including those with local health authorities, government ministries, local agencies and service providers are critical to achieving this measure.

The targets are based on historical data related to the number of individuals and households assisted through BC Housing's Health Service and Priority Placement programs as well as through targeted strategies and initiatives including the physical conversions of units. The targets reflect the expected availability of resources as well as past experience in finding suitable partnership opportunities in the community.



#### FUTURE DIRECTIONS

BC Housing will continue to target resources to those in the greatest housing need in keeping with the directions set out in the Provincial Housing Strategy – *Housing Matters BC*. This will include targeting resources to ensure that the homeless have access to stable housing with integrated support services, as well as ensuring that those who are most vulnerable receive priority for assistance.

As part of the Provincial Housing Strategy, BC Housing received funding approval for the expansion of the Independent Living BC program (ILBC) and the Provincial Homelessness Initiative (PHI). This includes a commitment for an additional 550 units for seniors under the ILBC program and 700 units of supportive housing under the PHI program for those who are homeless or at risk of becoming homeless.

Future strategies will also create new housing for better meeting the needs of Aboriginal families and individuals. BC Housing will work with the Aboriginal community to allocate funds under the Federal Aboriginal Housing Trusts to create approximately 200 new units.

## Goal 2 Protect and Manage Existing Housing for the Long Term

The existing portfolio of social housing represents an important asset for addressing local housing needs. It is also an important element in achieving the government's vision of building the best system of support for people with disabilities, those with special housing needs, children at risk and seniors. Through maintaining high building and property maintenance standards, we can provide good quality housing as well as protect the taxpayers' investments in social housing. This housing also contributes to a high quality of life for residents and to the social infrastructure of local communities.



The measures set out in this section focus on our success in delivering value to our clients, our shareholder and local communities across the province through the careful management of existing resources. This is accomplished through working with the non-profit and co-operative housing sector to ensure that key financial and operating standards are met, as well as ensuring that adequate provisions are in place for meeting future building requirements.

### THE CANADA – B.C. SOCIAL HOUSING AGREEMENT

On June 19, 2006, the Government of Canada and the Province of British Columbia signed the Canada – B.C. Social Housing Agreement, transferring the federal administration of the social housing portfolio to the province of British Columbia.

The transfer will:

- Help streamline and simplify administration in B.C.; and
- Allow the province to provide access to housing services through one-window delivery.

The province can use savings generated through the efficient use of federal funds to maintain existing buildings and to reinvest in housing for low-income citizens.

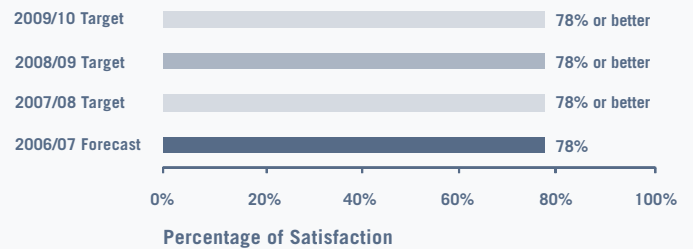
## OBJECTIVE: MAINTAIN THE QUALITY OF EXISTING ASSETS

### MEASURE: PERCENTAGE OF CLIENTS REPORTING SATISFACTION WITH THE QUALITY AND SAFETY OF THEIR HOUSING

#### Importance of the Measure

Client feedback provides assurance that existing management practices are achieving intended results. This feedback is obtained through an annual survey of tenants living in public housing and helps to ensure that tenants are receiving the services and support that they need.

The measure reports on the percentage of tenants indicating that they are either satisfied or very satisfied with their overall housing situation. The targets are based on current performance and are above the satisfaction levels reported by housing providers in other jurisdictions.



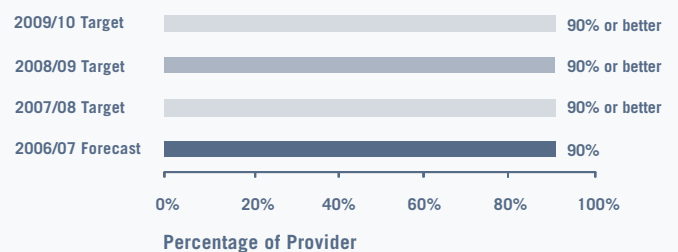
### MEASURE: PERCENTAGE OF SOCIAL HOUSING PROVIDERS MEETING FINANCIAL AND OPERATIONAL STANDARDS

#### Importance of the Measure

This measure ensures social housing is well managed, well maintained and protected for the long-term, through regular financial and operational reviews.

The measure is based on an assessment of non-profit and co-op housing providers across five key areas including maintenance and building inspections, financial management, resident management, information and records management and human resource management. A score is assigned based on this assessment and appropriate follow-up actions are taken.

Based on existing data, 90 per cent of housing providers are meeting an acceptable standard. The high target provides assurance the housing sector continues to perform at a high standard and that problems are addressed. Where standards are not being met, a management team is put in place to assist the housing provider.



\* This measure has been revised.

## Goal 2 Protect and Manage Existing Housing for the Long Term (continued)

### OBJECTIVE: ADEQUATE PROVISIONS FOR FUTURE REQUIREMENTS

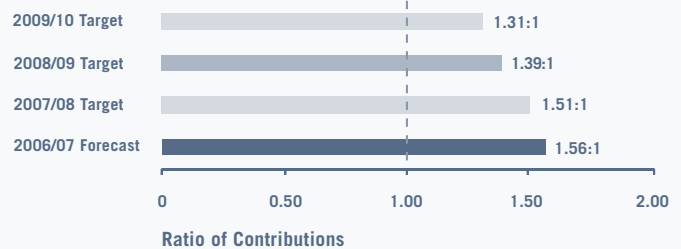
#### MEASURE: RATIO OF REPLACEMENT RESERVE CONTRIBUTIONS TO ACTUAL EXPENDITURES

##### Importance of the Measure

A replacement reserve is money set aside to refurbish or replace building components (such as roofs and appliances) that wear out over the life of a building. While the ultimate test is whether sufficient funds are available when the refurbishment is needed, an important interim test is whether sufficient money is set aside to cover a building's expected expenses over its lifetime.

The reserve contribution/expenditure ratio changes with the age of the buildings. The annual contribution stays the same, based on a life costing model, but the older the building, the more expenditure is required to maintain it. Hence, in the early life of a building, the ratio is high because contributions exceed expenditures. Similarly, as the building ages, the ratio falls and even drops below one as surplus funds are drawn down to meet the higher costs of an older building.

Historical data suggests that the ratio of 1.56:1 for 2006/07 is appropriate for the age and quality of the non-profit portfolio. The declining level to 2009/10 is also in line with our historical data, given that the buildings will continue to age.



\* This measure has been revised.

#### FUTURE DIRECTIONS

Existing building and unit audits, as well as third party studies, suggest that the current condition of social housing buildings is adequate. As the portfolio ages, redevelopment, regeneration and retrofit initiatives may be required to optimize the use of these assets to better serve the needs of tenants.

The transfer of the administrative responsibility for the federal social housing portfolio in 2006/07 has also provided opportunities for the harmonization of existing programs designed to generate efficiencies and create additional capacity at key points along the housing continuum.



## Goal 3 Provide Access to Appropriate Housing and Services for Vulnerable British Columbians

The measures related to this goal are about making a difference in the lives of vulnerable families and individuals by ensuring that limited housing resources are used as effectively as possible.

The most acute housing need can be found among low-income households that face a combination of challenges. Access to stable housing plays an important role in enabling vulnerable families and individuals to move toward self-reliance, independence and opportunity.

The existing inventory of subsidized housing plays a critical role in ensuring that vulnerable British Columbians have access to the services and supports that they need. From emergency shelters to longer-term supported living, BC Housing is committed to supporting these needs and to assisting individuals and families to move toward greater independence.



The measures under this goal focus on two key strategic objectives:

- Ease of access to housing; and,
- Ensuring that available housing resources are targeted to the most vulnerable.

This includes ensuring that individuals or households with special housing needs will be given priority access to subsidized housing as set out in the Provincial Housing Strategy.

### PRIORITY ACCESS FOR SPECIAL NEEDS HOUSEHOLDS

An important policy direction of the Provincial Housing Strategy, *Housing Matters BC*, is:

- Individuals or households with special housing needs will be given priority access to subsidized housing.

We are working to ensure that this is the case by undertaking a review of the eligibility and placement process.

Three ways we are providing priority access to subsidized housing are:

1. As a result of our Eligibility and Application Review project (ongoing), which addresses applicant and tenant needs as they relate to health and social supports;
2. Through the development of a database of physical building characteristics needed to match applicants to appropriate units; and,
3. By conducting a review of each social housing development to determine its best use and to generate plans to ensure best use.



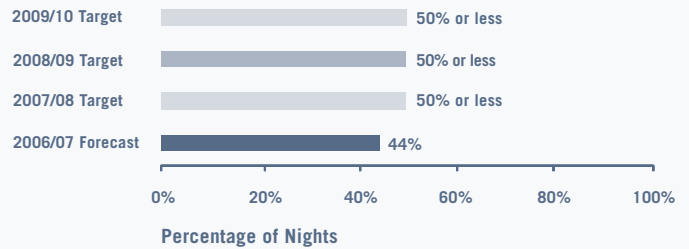
### Goal 3 Provide Access to Appropriate Housing and Services for Vulnerable British Columbians (continued)

## OBJECTIVE: EASE OF ACCESS TO HOUSING

### MEASURE: PERCENTAGE OF NIGHTS WHERE SHELTERS ARE AT FULL OCCUPANCY

#### Importance of the Measure

In setting the target for this measure, we want to ensure that shelter space is well used (i.e. high occupancy rate over the year), but also that shelters are not full to capacity, as they tend to be in the winter months, so that people must be turned away. The occupancy rate for shelter beds is 92 per cent year-round, while the number of nights where shelters were at full capacity was 44 per cent in 2006/07 and is expected to remain below 50 per cent. This target will be reviewed and refined in the coming year as more accurate information becomes available.

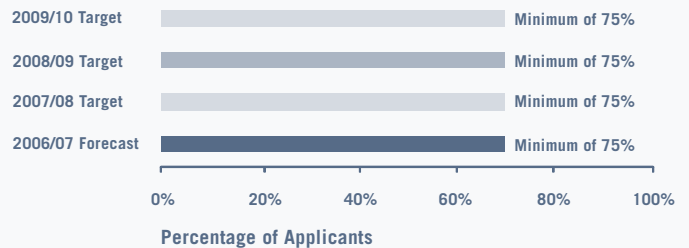


### MEASURE: PERCENTAGE OF NEW APPLICANTS REPORTING SATISFACTION WITH THE PROCESS

#### Importance of the Measure

This measure allows BC Housing to view our success from an applicant perspective and enables us to assess the degree to which applicants are satisfied with the information and support that they receive when applying for housing assistance. It is an important customer-feedback mechanism designed to strengthen and improve our business processes.

This measure reports on the percentage of applicants indicating that they are either satisfied or very satisfied with the application process including the information that they received and the assistance provided through BC Housing. The target reflects a basic benchmark established through previous applicant feedback.



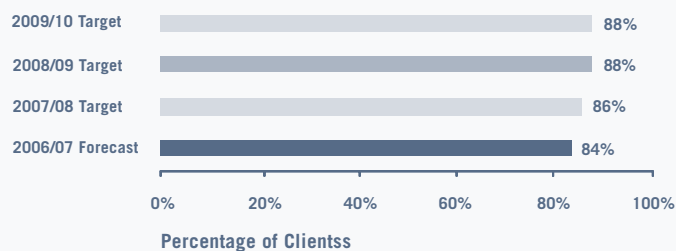
## OBJECTIVE: AVAILABLE HOUSING TARGETED TO THE MOST VULNERABLE

### MEASURE: PERCENTAGE OF CLIENTS BELONGING TO PRIORITY GROUPS

#### Importance of the Measure

Recognizing the difference that access to housing makes in the lives of vulnerable families and individuals, this measure reports the effectiveness of our current practices in allocating resources to those most in need. In keeping with the 2006/07 Provincial Housing Strategy, this measure allows us to define our success in ensuring that B.C.'s most vulnerable citizens receive priority for assistance.

The target is set to reflect the number of households that fall within one of the designated priority groups and are currently living in social housing or receiving assistance in the private rental market. The percentage of priority group clients assisted is expected to increase as existing units are adapted or converted and as new units reach completion. This is reflected in the targets which have been set.



#### FUTURE DIRECTIONS

Ensuring vulnerable families and individuals have access to housing and support services will continue to be an important priority. To support the key directions set out under the Provincial Housing Strategy, BC Housing is actively engaged in a process with the housing sector to review the current applicant eligibility guidelines for access to social housing.

Recognizing that access to safe and affordable housing is a critical step in helping those who are homeless, BC Housing has also engaged in a shelter capacity and program-review to be completed in 2007. In addition, resources were committed to launch a province-wide homeless outreach program to help address homelessness and to ensure that individuals who are homeless gain access to the services and supports that they need to change their situation. Implementing these strategies will represent an important area of focus going forward.

## Goal 4 Organizational Excellence

Providing cost-effective solutions and value for money is central to BC Housing's success in building and maintaining a sustainable housing system.

The measures set out in this section are about ensuring that we deliver the best possible services in a cost-effective and competitive manner. This includes continuing to identify organizational and operational efficiencies, as well as ensuring that we have the appropriate structures and processes in place to control costs and manage risks.



Building on the skills, energy, talent and dedication of the staff who work at BC Housing is a central focus of this goal. We will foster a culture of innovation and learning by working to build and maintain a high level of employee engagement.

Over the past year, we have made significant investments in putting an effective "People Strategy" in place across the Commission. The implementation of this strategy plays an important role in our success in recruiting and retaining skilled, creative and committed employees, both today and for the future.

### PEOPLE STRATEGY

BC Housing conducted an employee engagement survey to measure staff perceptions related to:

- Leadership;
- Learning and growth;
- Recognition;
- Communication; and
- Alignment with key strategic directions.

Major elements of the People Strategy:

- Organizational structure review;
- Recruitment and succession plan;
- Performance management;
- Leadership development; and
- Learning and growth opportunities.

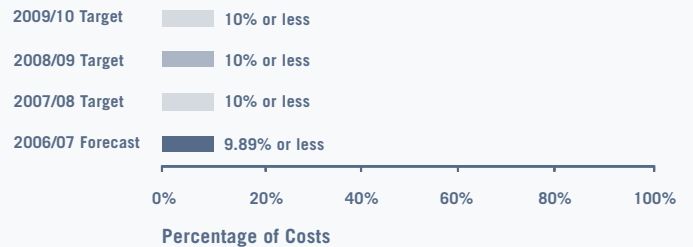
## OBJECTIVE: FINANCIAL AND OPERATING SUCCESS

### MEASURE: CONTROLLABLE ADMINISTRATION COSTS AS A PERCENTAGE OF PROGRAM DELIVERY COSTS

#### Importance of the Measure

This measure is a standard financial measure that assesses the efficiency of BC Housing’s management practices by comparing the percentage of controllable administration costs to program delivery costs. The results are benchmarked against the performance of housing providers in other jurisdictions.

A benchmarking study completed in 2006/07 showed that BC Housing had one of the lowest cost profiles across all organizations involved in the study. The targets are set to ensure that BC Housing continues to maintain this level of performance.



### MEASURE: PER-SQUARE-FOOT CONSTRUCTION COSTS

#### Importance of the Measure

This measure benchmarks the per-square-foot construction cost of new housing developments with comparable developments in the private sector. This is an important measure of the cost-effectiveness of our development practices. The targets ensure that BC Housing is achieving costs that are comparable with the market and demonstrate value-for-money.

The challenges related to new supply programs include rising construction costs, which are up by more than 40 per cent over the last four years. The cost drivers include significant increases in the cost of materials and skilled labour shortages, resulting in both increased labour costs and delays in project completion.

2009/10 Target	Within $\pm 5\%$ of the private sector benchmark
2008/09 Target	Within $\pm 5\%$ of the private sector benchmark
2007/08 Target	Within $\pm 5\%$ of the private sector benchmark
2006/07 Forecast	Within 2.72% of the private sector benchmark

## Goal 4 Organizational Excellence (continued)

### OBJECTIVE: HIGH LEVEL OF EMPLOYEE ENGAGEMENT

#### MEASURE: EMPLOYEE ENGAGEMENT INDEX

##### Importance of the Measure

BC Housing recognizes the critical role that its employees play in its organizational success. Greater employee engagement fosters an environment where both the business objectives as well as the personal aspirations of employees are met. By focusing on employee engagement, it is possible to create a working environment which values creativity and innovation, while also remaining committed to organizational excellence and service.

The measure is based on an annual survey that gathers feedback from staff on different aspects of their work environment. The survey is designed to gauge the extent to which BC Housing has been successful in building a culture of employee engagement and to identify opportunities for improvement. Results are benchmarked with other employers through the use of standard industry survey instruments. In May 2005, 365 staff (60 per cent) participated in a survey, the results of which placed BC Housing in the top quartile of comparable employers. The target is set to ensure that employee engagement continues to be an important focus within the organization and is supported by the development and implementation of a multi-year Human Resources Plan.

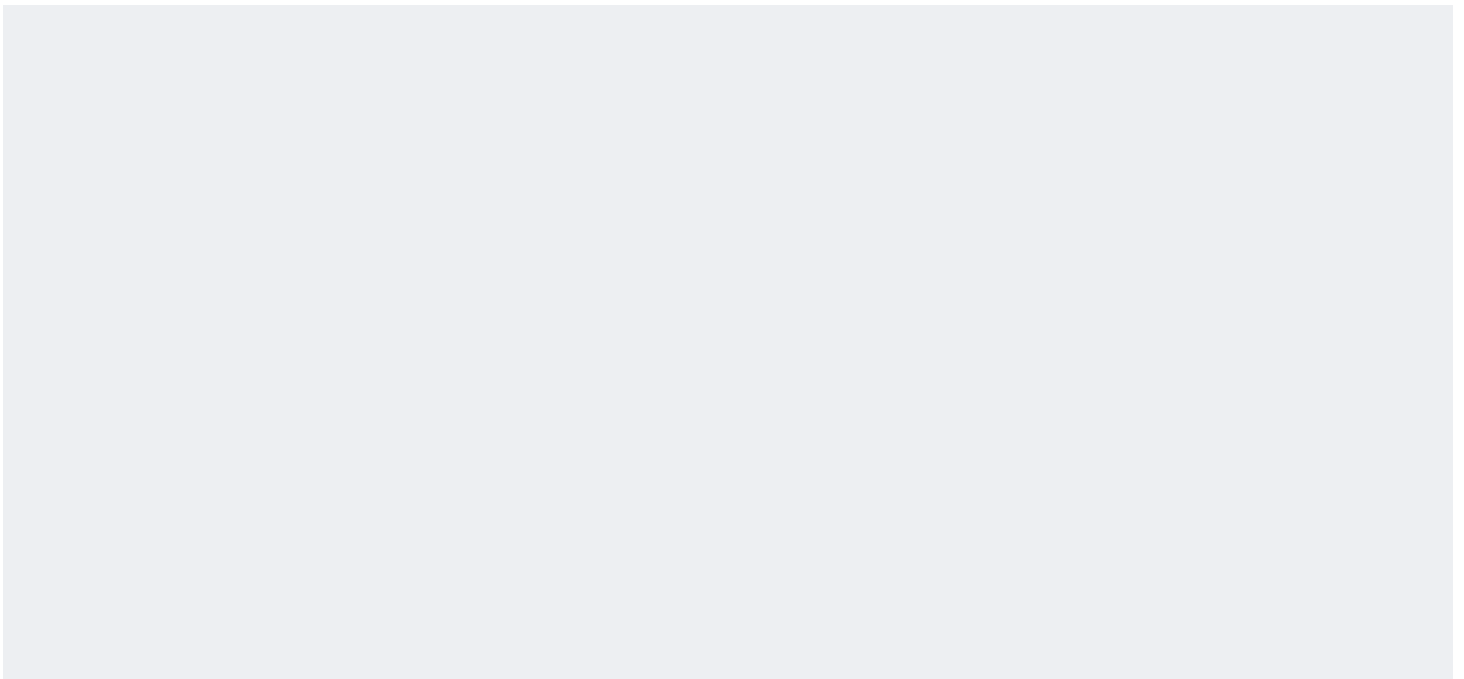
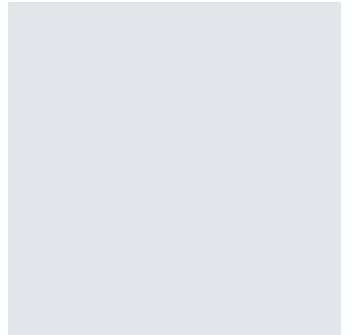
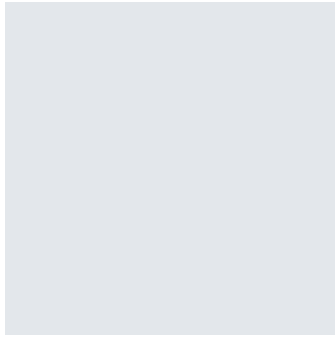
2009/10 Target	Top quartile of benchmark employers
2008/09 Target	Top quartile of benchmark employers
2007/08 Target	Top quartile of benchmark employers
2006/07 Forecast	Top quartile of benchmark employers

#### FUTURE DIRECTIONS

BC Housing's focus is on customer service, organizational excellence and innovation in order to deliver on the government's commitment to vulnerable British Columbians. The implementation of BC Housing's multi-year Human Resources Plan is an important element towards realizing this vision. This includes working to promote a culture of learning and innovation, as well as building and maintaining a high level of employee engagement.

Looking for new and better ways to use existing housing buildings, control costs and streamline and improve program administration are also important parts of this goal. Central to these strategies are innovations in research and information technology that support continuous business improvement.

# FINANCIAL OVERVIEW



## Summary Financial Outlook

The following table reflects the financial projections for the planning period including funding contributions from other partners. The 2007/08 budgeted allocation is 461 full-time employees (FTEs)<sup>1</sup>.

### SUMMARY OF FINANCIAL RESULTS AND BUDGET PROJECTIONS – 2001/02 to 2009/10

(in thousands of dollars)

	2001/02 ACTUAL	2002/03 ACTUAL	2003/04 ACTUAL	2004/05 ACTUAL	2005/06 ACTUAL	2006/07 BUDGET	2007/08 FORECAST	2008/09 FORECAST	2009/10 FORECAST
<b>Revenues</b>									
Provincial Share *	138,755	141,237	151,365	157,831	200,274	277,543	328,271	346,406	291,644
Federal Share	82,161	84,676	91,498	90,237	102,904	139,984	139,755	139,056	138,577
Other **	38,903	37,317	35,897	35,703	39,944	35,545	37,078	37,747	38,430
<b>Total Revenues</b>	<b>259,819</b>	<b>263,230</b>	<b>278,760</b>	<b>283,771</b>	<b>343,122</b>	<b>453,072</b>	<b>505,104</b>	<b>523,209</b>	<b>468,651</b>
<b>Expenditures</b>									
Non Profit & Co-operative Housing	159,435	164,422	179,753	183,505	217,550	318,533	317,769	322,961	273,773
Public Housing	51,907	51,549	52,870	55,033	68,287	58,391	65,700	75,172	66,662
Rent Supplement Assistance	27,486	26,390	25,919	24,571	25,457	47,840	89,013	92,044	93,747
Administration	20,662	20,829	20,146	20,595	31,760	28,308	32,622	33,032	34,469
	259,490	263,190	278,688	283,704	343,054	453,072	505,104	523,209	468,651
<b>Excess of revenue over expenditures</b>	<b>329</b>	<b>40</b>	<b>72</b>	<b>67</b>	<b>68</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* In 2007/08 this includes funding of \$329.6 million provided directly by the provincial government to BC Housing, plus \$8.7 million provincial funding through other partnering ministries.

\*\* This includes tenant rent and revenue from other sources.

BC Housing's provincial budget increased by 39 per cent or \$77.3 million in 2006/07 due to the full-year effect of the transfer of the administration of the Emergency Shelter Program, enhancements to the SAFER program and the new housing units completed under the Independent Living BC (ILBC) and Provincial Homelessness Initiative (PHI) programs, and flow of the Affordable Housing Trust funds. In 2007 / 08 , BC Housing's total budget will increase by a further 11 per cent or \$52 million. This increase is mainly the result of:

- The introduction of the Rental Assistance Program for low-income families, which adds \$28.6 million;
- Enhancements to the Emergency Shelter Program, which add \$8.4 million;
- The introduction of the Home Support Ready program, which adds \$6.1 million;
- New housing units completed under the ILBC and PHI programs, the impact of inflationary-cost pressures, the flow of the Affordable Housing Trusts and other programs, which adds \$18.9 million.

<sup>1</sup> This has increased to reflect additional staffing related to the transfer of administrative responsibility for the federal housing portfolio; the transfer of administrative responsibility for provincial emergency shelters; the doubling of the SAFER program; the increased volume of construction activity; and the introduction of the Rental Assistance Program for low-income families.

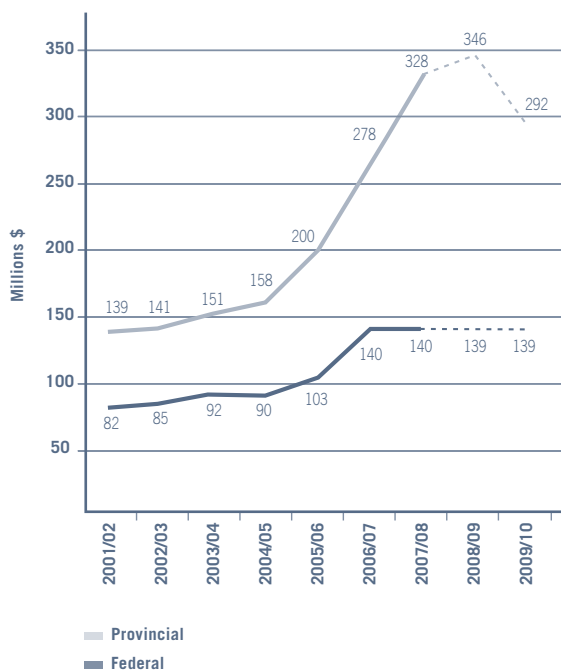


BC Housing's total approved budget of \$515.1 million in 2007/08 is the largest housing budget in the province's history and represents a 98 per cent increase (\$255.3 million) since 2001/02. The provincial share of BC Housing's budget has more than doubled over that same period.

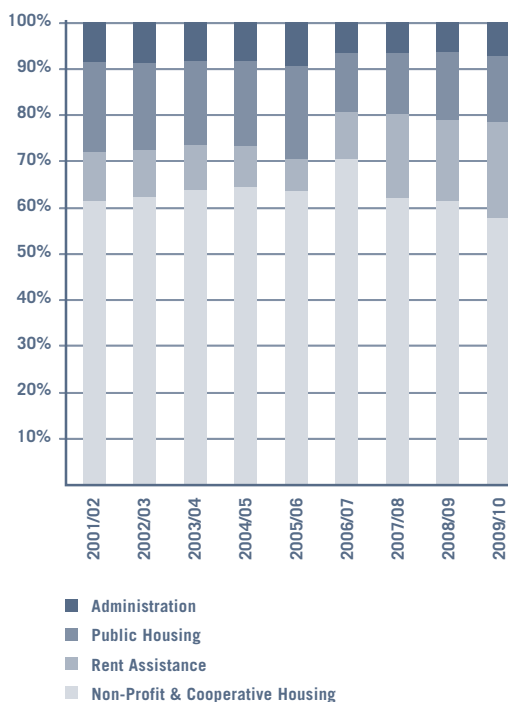
Contributions of \$156.9 million under the federal Affordable Housing Trust Agreement will be fully expended on the creation of new social housing by the end of the current planning cycle.

The federal government is expected to contribute up to \$140 million in 2007/08, which comprises about 27 per cent of total revenues. Federal funding is expected to gradually decline over time as building-envelope remediation projects are completed and buildings under the older programs become fully amortized.

**Contributions**



**Expenditures**



BC Housing has also developed a number of strategies to manage expenditure growth, contain costs and maximize the effect of its programs. Strengthened partnerships for new developments and streamlined program delivery, including subsidy administration, will ensure BC Housing continues to meet its mandate in a cost-effective manner. Other cost-saving strategies include continued reductions in administration expenses and overhead, and risk-management strategies.

Although BC Housing's programs, housing units under administration and budgets are all increasing, the growth in administration costs is being controlled to ensure that BC Housing stays efficient (see chart above). This chart also illustrates that over the 2001 to 2010 period, as rent assistance and non-profit subsidies are taking an increasing percentage of the housing budget.

## BC Housing's 2007/08 Business Overview

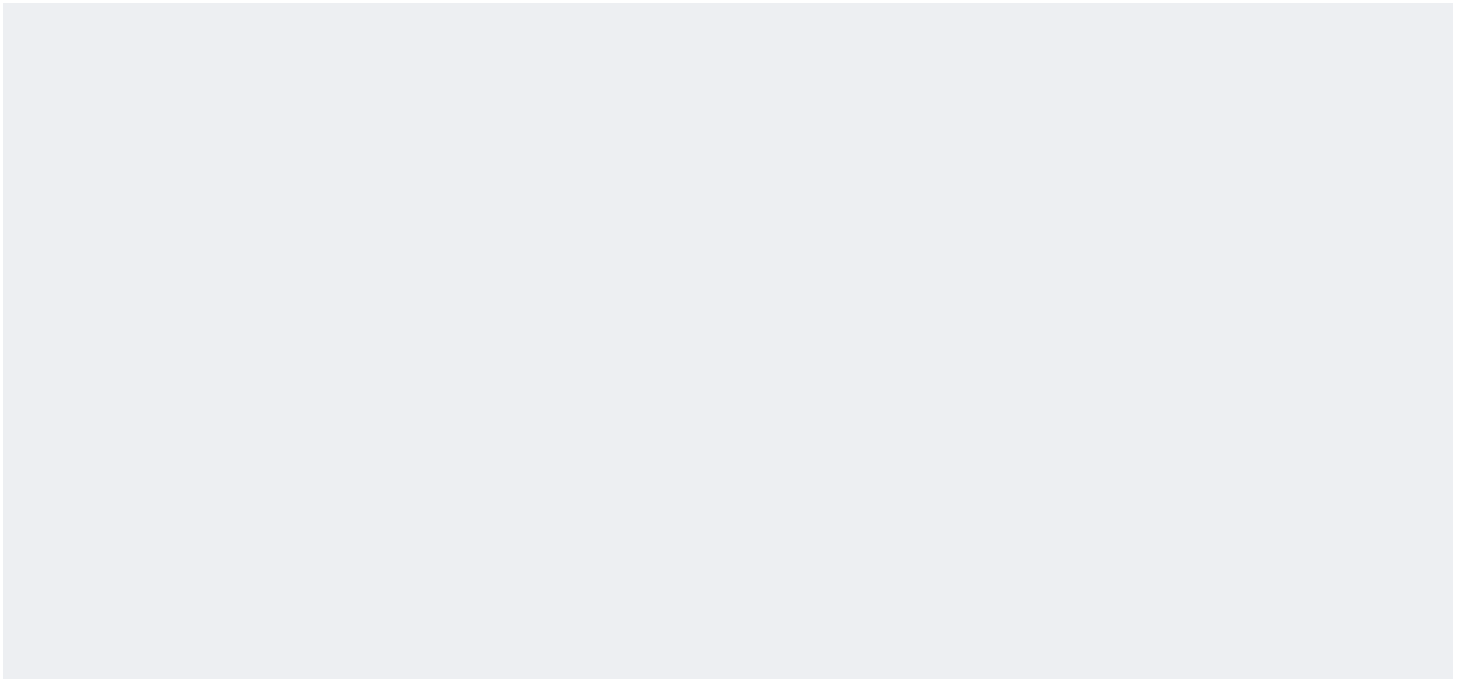
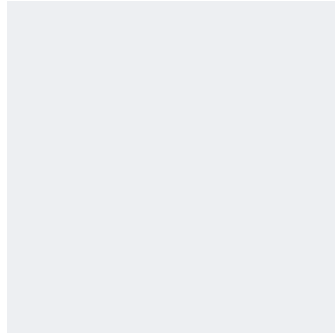
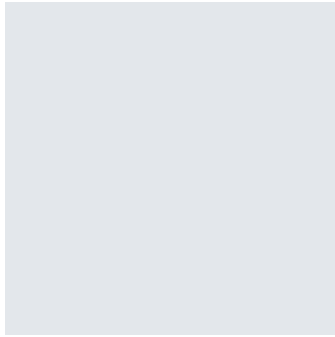
The following provides an overview of BC Housing's key activities and expected results for 2007/08, followed by a discussion of expenses and revenue sources.

### BUSINESS OVERVIEW – 2007/08

Funding	Program Expenditures	Service Allocation	Households Served
Provincial Government \$329.6 M	Emergency Shelter and Housing for the Homeless \$83.7 M	Emergency Shelter and Housing for the Homeless 3,820 units	Homeless 3,820 households
Federal Government \$139.8 M	Transitional Supported and Assisted Living \$96.2 M	Transitional Supported and Assisted Living 17,930 units	Special Needs 14,610 households
Tenant Rent \$29.2 M	Independent Social Housing \$260.2 M	Independent Social Housing 43,760 units	Aboriginal Individuals and Families 3,200 households
Provincial Partnering Ministries \$8.7 M	Rent Assistance in the Private Market \$75.0 M	Rent Assistance in the Private Market 33,160 units	Seniors 45,100 households
Other \$7.8 M			Low-income Families 31,940 households
<b>Total Revenues</b> <b>\$515.1 M</b>	<b>Total Expenses</b> <b>\$515.1 M</b>	<b>Total Units</b> <b>98,670</b>	<b>Total Households Served</b> <b>98,670</b>

BC Housing remains committed to providing affordable, safe, quality housing to B.C.'s most vulnerable citizens. In 2007/08, \$515.1 million will be spent on developing, maintaining and managing 98,670 housing units through a variety of program options. Approximately 35 per cent of funding (\$179.9 million in 2007/08) is allocated to non-profit and co-operative housing providers that operate emergency shelters and housing for the homeless, vulnerable individuals and frail seniors. Almost 50 per cent (\$260.2 million in 2007/08) of funding is allocated to fund project for individuals and low income families living in independent social housing, and 15 per cent is allocated to rent assistance (\$75 million in 2007/08) for individuals and families renting in the private market. Provincial and federal governments are expected to contribute nearly \$478.1 million of the required funding. Tenant rent and other revenues are expected to reach \$37 million in 2007/08. This amount will increase over time as rents increase with inflation.

# APPENDICES



# APPENDIX A – CHANGES TO THE GOALS, OBJECTIVES, MEASURES AND TARGETS

This section outlines changes made to the goals, objectives, measures and targets when compared with the 2006/07 Service Plan. An explanation of each of the changes has been provided.

## SUMMARY OF CHANGES TO THE GOALS AND OBJECTIVES

*There were no changes BC Housing’s goals and objectives in this Service Plan.*

## SUMMARY OF CHANGES TO THE MEASURES

*There were three (3) changes to the measures when compared with the 2006/07 Service Plan. These changes are outlined in the table below.*

<p>Introduction of a new measure under Goal 1</p> <p><i>– Number of New Households Assisted through Rent Assistance Programs (New)</i></p> <p>Revisions to two measures under Goal 2 – Protect and Manage Existing Housing for the Long Term</p> <p><i>Percentage of Social Housing Providers Meeting Financial and Operational Standards</i> replaces the measure related to <i>The Percentage of Social Housing Developments Meeting “Best Management” Practices.</i></p> <p><i>Ratio of Replacement Reserve Contributions to Actual Expenditures</i> replaces the measure related to <i>Developments with Adequate Replacement Reserve Plans.</i></p>	<p>Rent assistance programs represent an important element in the government’s housing strategy. To reflect the importance of these initiatives, this measure was added to BC Housing’s 2007/08 performance measurement framework.</p> <p>The intent of both of these measures remains the same – to confirm that the housing that is provided is well managed and well maintained and that adequate provisions are in place for future requirements.</p> <p>However, refinements have been made to the methodology used to track and report on results based on an external review process initiated in 2006/07.</p> <p>In both cases, the revised measures are intended to provide a more direct and meaningful measure for reporting purposes.</p>
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## SUMMARY OF CHANGES TO TARGETS

*There were changes made to four of the targets when compared to the 2006/07 Service Plan. These changes are outlined below.*

GOAL 1 NUMBER OF NEW UNITS/BEDS CREATED IN PRIORITY AREAS									
<p><b>2006/07 Service Plan Targets</b></p> <table border="1"> <tr> <td>2006/07 Forecast</td> <td>2007/08</td> <td>2008/09</td> </tr> <tr> <td>1,997</td> <td>984</td> <td>610</td> </tr> </table>			2006/07 Forecast	2007/08	2008/09	1,997	984	610	<p>The targets for this measure have been adjusted to reflect changes in the expected completion of some units. In addition, adjustments have been made to reflect the creation of additional units as part of the Provincial Housing Strategy announced in October 2006.</p>
2006/07 Forecast	2007/08	2008/09							
1,997	984	610							
<p><b>2007/08 Revised Service Plan Targets</b></p> <table border="1"> <tr> <td>2006/07 Forecast</td> <td>2007/08 (Revised)</td> <td>2008/09 (Revised)</td> </tr> <tr> <td>1,997</td> <td>941</td> <td>1,264</td> </tr> </table>			2006/07 Forecast	2007/08 (Revised)	2008/09 (Revised)	1,997	941	1,264	
2006/07 Forecast	2007/08 (Revised)	2008/09 (Revised)							
1,997	941	1,264							

**GOAL 1 NUMBER OF EXISTING UNITS ADAPTED TO HIGHER PRIORITY NEEDS**

**2006/07 Service Plan Targets**

2006/07 Forecast	2007/08	2008/09
240	265	290

**2007/08 Revised Service Plan Targets**

2006/07 (Revised)	2007/08 (Revised)	2008/09 (Revised)
400	550	700

The targets for this measure have been adjusted upward to reflect the success of Tenant Services in identifying partnerships and in successfully housing an increasing number of vulnerable tenants. The adjusted targets also reflect new initiatives that have been identified for 2007/08 including the introduction of “home support ready” units.

**GOAL 2 PERCENTAGE OF CLIENTS REPORTING SATISFACTION WITH THE QUALITY AND SAFETY OF THEIR HOUSING**

**2006/07 Service Plan Targets**

2006/07	2007/08	2008/09
84%	84% or better	84% or better

**2007/08 Revised Service Plan Targets**

2006/07 Forecast	2007/08 (Revised)	2008/09 (Revised)
78%	78%	78%

The most recent trend data suggests lower levels of satisfaction. This change has been noted in the targets. As BC Housing continues to house more vulnerable clients, it is expected that satisfaction levels may continue to decrease. In response to the existing and emerging needs of our tenants, BC Housing has introduced a number of community development initiatives.

**GOAL 2 PERCENTAGE OF SOCIAL HOUSING PROVIDERS MEETING FINANCIAL AND OPERATING STANDARDS**

**2006/07 Service Plan Targets**

2006/07	2007/08	2008/09
95% or better	95% or better	95% or better

**2007/08 Revised Service Plan Targets**

2006/07 Forecast	2007/08 (Revised)	2008/09 (Revised)
90% or better	90% or better	90% or better

To ensure that non-profit and co-operative housing providers meet the highest financial and operating standards, during the year we conducted a review of the methodology underlying the measure to focus in on the operational review as distinct from the financial review. As a result of the data from our review we have adjusted our targets.

**GOAL 3 PERCENTAGE OF NIGHTS WHERE SHELTERS ARE AT FULL OCCUPANCY**

**2006/07 Service Plan Targets**

2006/07	2007/08	2008/09
<b>Establish baseline</b>	<b>To be determined</b>	<b>To be determined</b>

**2007/08 Revised Service Plan Targets**

2006/07 (Revised)	2007/08 (Revised)	2008/09 (Revised)
<b>50% or less</b>	<b>50% or less</b>	<b>50% or less</b>

Baseline data captured from November 2005 to August 2006 shows that the emergency shelters funded through the Emergency Shelter Program were at full occupancy 44 per cent of nights during the reporting period. This data was used to establish the baseline for 2006/07. BC Housing will continue to work with the shelters to identify processes and strategies to move people from shelters to permanent housing.



## Appendix B – Disclosure of Key Reporting Judgments

### GOAL 1 RESPOND TO GAPS IN THE HOUSING CONTINUUM

#### MEASURE: NUMBER OF NEW UNITS / BEDS CREATED IN PRIORITY AREAS

##### About the Measure

This measure reflects the number of new units or beds added at different points along the housing continuum during the reporting period.

##### Data Sources and Methodology

This measure reports on the number of units that have reached completion and/or are ready for occupancy during the reporting period.

##### Reliability of the Data

The complexity of the development process and other external factors, including changes in program or funding levels, can contribute to a result above or below the established targets. Industry trends – including interest rates, construction costs and other factors – can also influence the outcomes.

##### Benchmarks

Performance is benchmarked internally against past performance. No external benchmark is available.

#### MEASURE: NUMBER OF NEW HOUSEHOLDS ASSISTED THROUGH RENT ASSISTANCE PROGRAMS (NEW)

##### About the Measure

Rent assistance programs represent an important element in the government's housing strategy. This measure reports on the number of new households assisted through SAFER (Shelter Aid for Elderly Renters), Rental Assistance Program and targeted assistance for those who are homeless.

##### Data Sources and Methodology

Under the existing SAFER program, almost 15,600 seniors are receiving rent assistance. About 200 seniors are added to the program each month. Under the Rental Assistance Program, announced on October 3, 2006, it is anticipated that up to 15,000 households will be receiving rent assistance by the end of 2007/08. Rent assistance will be provided to 33,160 households in 2007/08.

##### Reliability of the Data

Information to support this measure is captured through BC Housing's reporting systems. The targets are based on an estimate of need based on population and household data from BC Stats (P.E.O.P.L.E. 31) and the 2001 Census. (Note: 2006 Census data is not yet available.)

##### Benchmarks

Performance is benchmarked internally against past performance. No external benchmark is available.

## Appendix B – Disclosure of Key Reporting Judgments (continued)

### MEASURE: NUMBER OF EXISTING UNITS ADAPTED TO HIGHER PRIORITY NEEDS

#### About the Measure

This measure reports on the number of existing units which have been adapted or re-targeted to serve higher priority needs including women and children fleeing abuse, persons with mental illness or addictions-related challenges and/or other special housing needs.

#### Data Sources and Methodology

Individuals assisted through the BC Housing Health Services Program, the Priority Placement Program and through partnerships and initiatives established by Tenant Services during the reporting period comprise this measure. In 2007/08, this measure will also report BC Housing's success in introducing "home support ready" units as a means of promoting greater independence among frail seniors. In addition, the 2007/08 targets are also designed to reflect the expanded role of Health Services staff in the assessment and placement of tenants in available units.

#### Reliability of the Data

Tenant Services and Housing Operations report results quarterly. The results can vary depending on the availability of suitable units and the availability of funding for the necessary support services. Success in meeting the objectives and targets related to this measure is also dependent on BC Housing's ability to identify appropriate partnership opportunities in the community.

#### Benchmarks

Performance is benchmarked internally. In establishing the targets, historical data related to both the Priority Placement Program and the BC Housing Health Services Program was used.

## GOAL 2 PROTECT AND MANAGE EXISTING HOUSING FOR THE LONG TERM

### MEASURE: PERCENTAGE OF CLIENTS REPORTING SATISFACTION WITH THE QUALITY AND SAFETY OF THEIR HOUSING

#### About the Measure

This measure reports on the level of satisfaction reported by tenants living in public housing.

#### Data Sources and Methodology

This measure is based on an annual tenant survey and reflects the percentage of tenants indicating that they are satisfied or very satisfied in response to the question, *Overall, how satisfied are you with your housing situation?*

#### Reliability of the Data

Data to support this measure is collected annually and is based on the results from a survey of tenants living in housing managed by BC Housing. The survey uses a five-point scale to gather feedback from tenants on the following:

- Their overall satisfaction with their housing;
- Their satisfaction with the way their development is managed;
- Their satisfaction with the level of safety and security in their development;
- Their satisfaction with the level of cleanliness of their development; and
- The responsiveness of management to requests.

Approximately 3,000 tenants respond to the survey each year representing a 40 per cent response rate.

#### Benchmarks

Performance is benchmarked internally against past performance. In addition, results are compared informally to published results reported by housing providers in other jurisdictions. However, no formal external benchmarking process has been established.

## Appendix B – Disclosure of Key Reporting Judgments (continued)

### MEASURE: PERCENTAGE OF SOCIAL HOUSING PROVIDERS MEETING FINANCIAL AND OPERATIONAL STANDARDS (REVISED)

#### About the Measure

This measure ensures that non-profit and co-op housing providers are meeting the financial and operational standards set out in their agreements. This measure also gives the assurance that the existing portfolio of social housing is well managed and well maintained for the long-term.

#### Data Sources and Methodology

Data to support this measure is gathered through the operational review process using a checklist/scorecard approach which evaluates provider performance across the following categories:

- Maintenance and building inspections;
- Financial management;
- Resident management;
- Information and records management; and
- Human resource management.

#### Reliability of the Data

The operational review process is conducted through site visits. It is designed to confirm that services are delivered in an appropriate manner and to identify potential problems before they arise. All housing providers that receive an operating budget are subject to an operational review.

The frequency of site visits can vary from one to five years, however, there are other early warning mechanisms that are used to identify societies in difficulty. In addition, the level of risk associated with the cyclical nature of the review process is relatively low given it is unusual for the risk profile of a development to change radically from one year to the next.

#### Benchmarks

Performance is benchmarked internally against past performance.

### MEASURE: RATIO OF REPLACEMENT RESERVE CONTRIBUTIONS TO ACTUAL EXPENDITURES (REVISED)

#### About the Measure

This measure compares average annual replacement reserve contributions to expenditures as a means of providing reasonable assurance against future risk.

#### Data Sources and Methodology

This measure compares average annual contributions to expenditures based on a five-year average. Information to support this measure is collected through BC Housing's reporting systems as part of the financial review process.

#### Reliability of the Data

The target is set based on the 2005/06 results with current findings suggesting that sufficient funding is in place to meet future requirements. As the portfolio ages, it is expected that the ratio of contributions to expenditures will decrease with the difference being offset through existing reserve balances.

#### Benchmarks

Performance will be benchmarked internally against past performance.

## GOAL 3 PROVIDE ACCESS TO APPROPRIATE HOUSING AND SERVICES FOR VULNERABLE BRITISH COLUMBIANS

### MEASURE: PERCENTAGE OF NEW APPLICANTS REPORTING SATISFACTION WITH THE PROCESS

#### About the Measure

This measure ensures that applicants have access to the information and support that they need when applying for housing. The feedback received helps to strengthen and improve our business processes.

#### Data Sources and Methodology

Data to support this measure is captured through an applicant feedback form, which is included as part of the application process. Using a five-point scale, applicants are asked questions related to their satisfaction with:

- The information that they received when applying for housing;
- The ease and clarity of the application form;
- The helpfulness of the materials and listings provided; and
- The knowledge and helpfulness of staff.

Applicants are asked to complete the feedback form and return it with their application. Results are tracked and reported monthly.

#### Reliability of the Data

As of September 30, 2006, feedback was received from approximately 2,520 applicants. The overall satisfaction rating was approximately 90 per cent. This result is based on a self-administered survey. Plans are currently being developed to revise the current data collection strategy to include an independent, third-party approach for obtaining feedback.

#### Benchmarks

Performance is benchmarked internally against past performance. No external benchmark is available.

## Appendix B – Disclosure of Key Reporting Judgments (continued)

### MEASURE: PERCENTAGE OF NIGHTS WHERE SHELTERS ARE AT FULL OCCUPANCY

#### About the Measure

Emergency shelters are an important point of access for moving homeless persons to the next stage in the housing continuum. This measure reports the capacity of the emergency shelter system and the percentage of nights that emergency shelters funded through BC Housing were full or over capacity.

#### Data Sources and Methodology

Information to support this measure is captured through monthly statistics prepared by the individual emergency shelters receiving funding support under the Emergency Shelter Program. This measure reports on the percentage of nights where the shelters funded through BC Housing reported that they were at full capacity.

#### Reliability of the Data

There is some variation in the data collection and reporting capacity of the shelters. This can influence the results. In addition, differences across geographic regions and client groups, as well as seasonal variations, can impact the results.

#### Benchmarks

Year-over-year results will be compared and analyzed. However, 2006/07 represents the first year that data is available.

### MEASURE: PERCENTAGE OF CLIENTS BELONGING TO PRIORITY GROUPS

#### About the Measure

This measure reports on the percentage of clients belonging to one of the priority groups who are assisted through the existing inventory of subsidized housing. Priority groups include seniors, persons with physical and mental disabilities, women and children who have experienced domestic violence and those who are homeless or at risk of homelessness.

#### Data Sources and Methodology

This measure is calculated by taking the current inventory of subsidized housing (including public housing, non-profit and co-op housing and rent assistance in the private market) and determining the percentage of units that are currently occupied by one of the designated priority groups.

#### Reliability of the Data

Due to information limitations, this measure is likely under-reporting the extent to which the designated priority groups are being served. Changes to BC Housing's application process that are currently underway will help to provide better and more complete information for future reporting. In addition, the percentage of units is expected to increase as new units are completed or existing units become available through turnover.

#### Benchmarks

Performance is benchmarked internally against past performance. No external benchmark is available.



## GOAL 4 ORGANIZATIONAL EXCELLENCE

### MEASURE: CONTROLLABLE ADMINISTRATION COSTS AS A PERCENTAGE OF PROGRAM DELIVERY COSTS

#### About the Measure

This measure assesses the efficiency of our management practices by benchmarking year-over-year increases in BC Housing's controllable administration costs relative to program delivery costs.

#### Data Sources and Methodology

This is an annual measure that is based on information captured in BC Housing's audited financial statements and is reported as a percentage of total program costs.

#### Reliability of the Data

In 2006/07, results were benchmarked with other housing organizations through an independent, third-party review. After making adjustments to reflect differences in definitions and reporting, the review found that BC Housing had the lowest cost profile of all of the organizations involved in the study. The review also concluded that given variations in context and accounting, a year-over-year comparison within the same agency may be the most valid comparator.

#### Benchmarks

Costs are standardized and benchmarked against a sample of six organizations including three with a provincial/territorial mandate and three with municipal contexts.

### MEASURE: PER-SQUARE-FOOT CONSTRUCTION COSTS

#### About the Measure

This measure compares per-square-foot construction costs for housing developed under BC Housing programs with comparable developments in the private market. Data captured through this measure allows BC Housing to compare costs and trends over time and demonstrate that value for money is achieved.

#### Data Sources and Methodology

This measure relies on the expertise provided through a construction-cost consulting firm to analyze the degree of variance between the per-square-foot construction costs for non-profit developments compared to comparable private-market developments. Adjustments are made to reflect the design standards and requirements that in some cases exceed the standards and features provided in private-market developments. Comparisons are then made with published construction-cost data to determine the degree of variance.

#### Reliability of the Data

In many cases, the types of developments constructed through BC Housing's programs include a combination of services and amenities that make it difficult to make direct comparisons with the private market. In addition, the development process typically involves competing requirements that can influence the outcomes. This can make it difficult to get reliable comparisons with differences in time, location, building form, unit mix, amenities, scale, efficiency and quality. These all have an impact on the results that are achieved. The proposed methodology relies on the use of independent external verification and a quantity survey and cost measure approach to addressing the limitations. Results are also triangulated against standard industry measures and cost data.

#### Benchmarks

Costs are standardized and benchmarked against a sample of private-market buildings and industry cost data.

## MEASURE: EMPLOYEE ENGAGEMENT INDEX

### About the Measure

This measure reports the level of employee engagement based on results from an annual staff survey.

### Data Sources and Methodology

The survey instrument seeks to obtain staff feedback on the following:

- Clarity about what is expected;
- Having the right materials, tools and equipment;
- Having a good relationship with one's manager/supervisor;
- Having received positive recognition for work in the past month;
- Having the ability to use skills and talents to make a contribution;
- Having a sense of alignment with the corporate goals and objectives;
- Having clarity about how their work contributes to the broader goals and objectives;
- Having input into decisions that have personal impact;
- Having feedback on progress; and,
- Having access to learning opportunities.

### Reliability of the Data

Baseline data was gathered through a Commission-wide survey initiated in spring 2005 with the follow-up survey being planned for early 2007. The survey was self-administered online with results being analyzed by an external research firm. Approximately 60 per cent of staff across the Commission participated in the survey, helping to provide a high degree of confidence in the findings.

### Benchmarks

Comparisons are made with a cross-section of large and mid-size public- and private-sector companies to benchmark performance. The database contains more than 10,000 responses from across different public- and private-sector organizations.

# GLOSSARY

**Assisted Living:** Assisted living units are self-contained apartments for seniors or people with disabilities who need some support services to continue living independently, but do not need 24-hour facility care. Services provided include daily meals, social and recreational opportunities, assistance with medications, mobility and other care needs, a 24-hour response system and light housekeeping.

**Cold Wet Weather:** Cold wet weather services include shelter facilities and services that operate and/or are funded on a seasonal basis. Shelters add cold wet weather beds (seasonal beds and mats) to provide the option of a warm, dry place to sleep for people who are homeless as winter weather sets in and the need increases. There are also emergency shelter facilities that are open during the winter months.

**Co-Operative Housing:** A housing development in which individual residents own a share in the co-operative. This share grants them equal access to common areas, voting rights, occupancy of an apartment or townhouse as if they were owners and the right to vote for board members to manage the co-operative. Each member has one vote and members work together to keep their housing well-managed and affordable.

**Core Housing Need:** Households in core housing need are those individuals who currently reside in housing that is either in need of major repair, does not have enough bedrooms for the size and makeup of the household, or costs 30 per cent or more of their total income, and who are unable to rent an alternative housing unit that meets these standards without paying 30 per cent or more of their income.

**Emergency Shelter:** Short-stay housing of 30 days or less. Emergency shelters provide single or shared bedrooms or dorm-type sleeping arrangements, with varying levels of support to individuals.

**Group Home:** A small, community-based development, usually under 10 beds/units, that provides affordable housing with supports to those with special needs including individuals with severe mental and physical disabilities and youth and women with their children fleeing abuse. BC Housing provides administration and property management support for group homes on behalf of other provincial ministries and health authorities.

**Housing Providers:** Non-profit housing societies and housing co-operatives that own and manage subsidized housing developments. This term can also include private-market landlords through whom BC Housing provides rent assistance to low-income households.

**NIMBY: (Not-In-My-Back-Yard)** Community opposition to new social housing developments based upon fear, assumptions and stereotypes that some people may harbour about the individuals that will live in these developments.

**Non-Profit Housing:** Rental housing that is owned and operated by community-based, non-profit societies. The mandates of these societies are to provide safe, secure, affordable accommodation to households with low to moderate incomes. Most non-profit housing societies receive some form of financial assistance from government to enable them to offer affordable rents. Each society operates independently under the direction of a volunteer board of directors.

**Operating Budget:** The annual budget for a non-profit or co-operative housing development. The budget forecasts the costs of operating a development, based on income and expenses, and is used to determine the subsidy level BC Housing provides each month to run the building.

**Public Housing:** Housing that is jointly funded by the provincial and federal governments and predominantly managed by BC Housing. Most of these developments were constructed in the 1950s and 1960s.

**Rent Assistance:** Rent supplement agreements with private landlords as well as housing allowances paid directly to households in the private market.

**Social Housing:** Includes both public housing and housing that is owned and managed by non-profit and co-operative housing providers.

**Subsidized Housing:** Encompasses all types of housing for which the provincial government provides a subsidy or rent assistance, including public, non-profit and co-operative housing, as well as rent assistance for people living in private-market housing. It also includes emergency housing and short-term shelters.

**Subsidy:** BC Housing provides monthly subsidies to organizations to fund the costs of operating subsidized-housing units. The subsidy is based on the operating costs set out in the annual budget, less the total rents/housing charges collected from tenants. Subsidy payments include rent subsidies/repayable assistance and cover the mortgage payments, building maintenance and other shelter-related costs.

**Supportive Housing:** Housing that provides ongoing supports and services to residents who cannot live independently and are not expected to become fully self-sufficient.

**The Housing Registry:** Centralized database of applicants' information and housing providers coordinated by BC Housing. It allows individuals to apply for housing with multiple service providers using one application form.

**Transitional Housing:** Housing that is provided for a minimum of 30 days and up to two or three years, which includes the provision of on- or off-site support services to help people move towards independence and self-sufficiency. Transitional housing is often called second-stage housing and includes housing for women with their children fleeing abuse.

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