

2009/10 – 2011/12

# Service Plan



HOUSING MATTERS



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The following appendices are located on BC Housing's website at [www.bchousing.org](http://www.bchousing.org)

## **Glossary of Terms**

## **Appendix A – Changes in Reporting**

## **Appendix B – Disclosure of Key Reporting Judgements**

# Joint Message from the Chair and Chief Executive Officer

It is a pleasure to submit BC Housing's Service Plan for the fiscal years 2009/10 to 2011/12. Over the next year BC Housing will build on the significant initiatives and new directions that have been put into place to address homelessness in communities across the province. We will also continue to build on initiatives that address the housing needs of low-income people who have special housing and support needs, and provide financial assistance to improve affordability for low-income working families and seniors in the private rental market. In 2009/10, \$504.4 million will be spent on developing, maintaining and managing 92,650 housing units through a variety of program options available to those in greatest need in British Columbia.

In the coming year we will focus much of our attention on developing new supportive housing under the Provincial Homelessness Initiative. Successful partnerships with local governments, non-profit housing and service providers will enable us to fast-track new supportive housing developments for the homeless. Expanded homeless outreach and enhanced 24/7 emergency shelter operations will help more individuals to move from the street to stable and affordable housing with supports. The purchase and renovation of single room occupancy hotels by BC Housing over the past year will help reduce homelessness and protect this affordable housing stock for those most in need.

Looking ahead at the long-term value, maintenance and capital replacement costs associated with our aging public housing portfolio, we have created a new Asset Strategies branch within BC Housing. This new branch will provide a stronger focus and greater capacity to plan for the maintenance, capital improvement, redevelopment and environmental sustainability of these assets.

BC Housing, along with our partners in the housing sector, will face numerous challenges ahead as a result of the recent turbulence in the economy, the most significant of which will likely be an increased demand for our programs and services during a time of fiscal restraint. Our track record of leveraging resources through partnerships, striving to deliver services cost-effectively, and identifying new business opportunities along the housing continuum will help to ensure that we can continue to provide housing and services for those in greatest need.



**Brenda Eaton**  
*Chair*



**Shayne Ramsay**  
*Chief Executive Officer*

## ABOUT THIS SERVICE PLAN

The 2009/10 - 2011/12 BC Housing Service Plan was prepared under the Board's direction in accordance with the Budget Transparency and Accountability Act and the BC Reporting Principles. The plan is consistent with government's strategic priorities and Fiscal Plan. The Board is accountable for the contents of the plan, including the selection of performance measures and targets.

All significant assumptions, policy decisions, and identified risks, as of February 2009 have been considered in preparing the plan. The performance measures presented are consistent with BC Housing's mandate and goals, and focus on aspects critical to the organization's performance. 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.

# Business Overview

## Mandate and Vision

**Our mandate** is to fulfill the government's commitment to the development, management and administration of subsidized housing as reflected in an Order-in-Council under the *Housing Act* establishing the British Columbia Housing Management Commission (BC Housing) in 1967.

**Our vision** is *housing solutions for healthier futures*.

**Our values** are integrity, respect, commitment, service and accountability.

### **HOUSING MATTERS BC: A HOUSING STRATEGY FOR BRITISH COLUMBIA**

The framework for the evolution of the housing sector, including the business direction for BC Housing, is guided by *Housing Matters BC*. This provincial housing strategy contains six goals, each of which is client-focused. BC Housing is the lead government agency ensuring the first four goals are met through a variety of programs and partnerships, as described below.

1

#### **The homeless have access to stable housing with integrated support services**

- New supportive housing through the *Provincial Homelessness Initiative* and local government partnerships (MoUs)
- Expansion of the *Homeless Outreach Program* and homeless rent supplements
- *Emergency Shelter Program* enhancements
- Purchase of single room occupancy hotels and rental housing buildings

2

#### **B.C.'s most vulnerable citizens receive priority for assistance**

- New supportive and assisted living units through *Independent Living BC*
- Adapting and converting existing social housing units for those in greatest need through, for example, *Seniors' Supportive Housing*
- Redevelopment of aging and under-utilized social housing sites

3

#### **Aboriginal housing need is addressed**

- Affordable housing for Aboriginal people living off-reserve through the *Aboriginal Housing Initiative*
- *Aboriginal Homeless Outreach Program* and homeless rent supplements
- Improved capacity and relationship building with the Aboriginal housing sector

4

#### **Low-income households have improved access to affordable rental housing**

- *Shelter Aid for Elderly Renters (SAFER)*
- *Rental Assistance Program* for working families

5

#### **Homeownership is supported as an avenue to self-sufficiency**

6

#### **B.C.'s housing and building regulatory system is safe, stable and efficient**

Descriptions of BC Housing programs can be found at [www.bchousing.org](http://www.bchousing.org).

Through *Housing Matters BC*, 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. With the existing public housing portfolio, we are ensuring that individuals or households with special housing needs are given priority access, and that provincially-owned subsidized housing is renovated or redeveloped to better meet the needs of low-income households with special needs. We are also taking steps to ensure that the delivery of new housing units as well as the management of the existing housing portfolio promote sustainability and mitigate impacts on the environment.

## Core Business Areas

BC Housing's core business areas are aligned to support our business direction established through *Housing Matters BC* and integrated within our performance measurement framework (see page 16). Our core business areas include:

- **Increasing housing options** to respond to gaps in the housing continuum. Where there are gaps in the existing housing continuum, BC Housing works to fill these either by creating new options or adapting existing housing to better respond to those in greatest need.
- **Maintaining and administering existing housing** to protect and manage for the long-term. We have a responsibility to ensure that existing subsidized housing is well managed and well maintained so that it is available for people in need well into the future.
- **Providing client services** to ensure access to appropriate housing and services for vulnerable British Columbians. We are client-focused in delivering our programs and working with our housing partners.
- **Delivering services cost-effectively** through organizational excellence. We are accountable to British Columbians about how we spend taxpayers' dollars and work to ensure effective and efficient delivery of programs and services.

### ENVIRONMENTAL SUSTAINABILITY AND SOCIAL HOUSING

BC Housing has a new sustainability strategy called *livegreen: A Housing Sustainability Action Plan* that outlines BC Housing's vision of being a leader in North America in developing and managing environmentally sustainable social housing. The plan's three main objectives focus on:

- Reducing energy consumption and implementing measurable sustainability improvements across social housing buildings and BC Housing's operations;
- Engaging stakeholders, employees and social housing tenants in positive sustainability actions; and
- Encouraging B.C.'s residential construction sector to practice sustainable construction and property management.

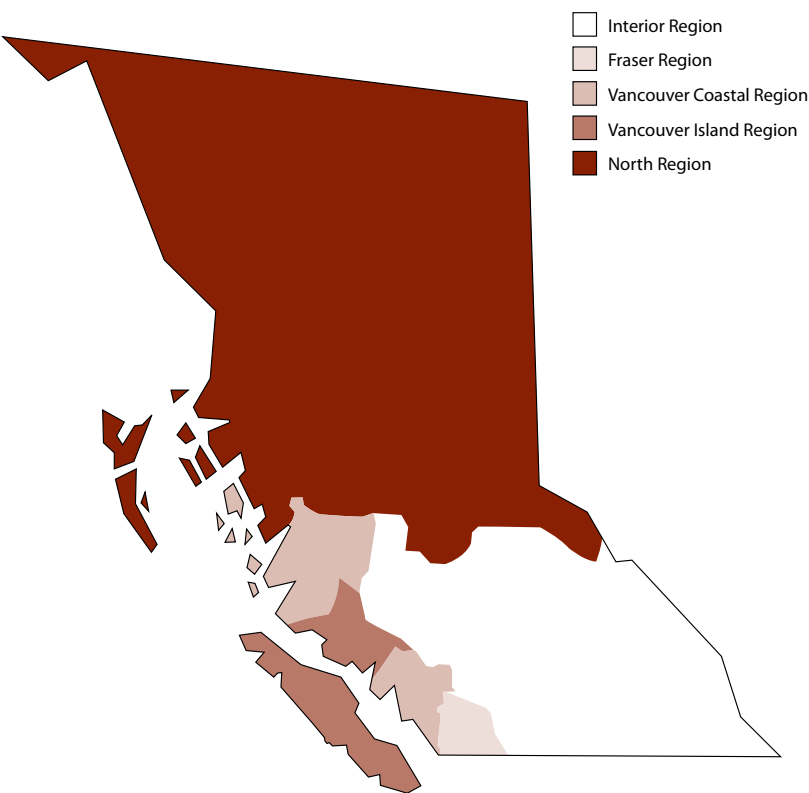
The *livegreen* plan is aligned with the Province's Climate Action Plan to reduce greenhouse gas emissions and our carbon footprint.

# Who We Serve

Government-assisted housing is targeted to those in greatest need. In total, over 92,600 households in about 200 communities will be assisted through subsidized housing in 2009/10. Some 800 housing providers – mostly non-profit societies and housing co-operatives – manage about 49,600 of these units and BC Housing manages 7,400 public housing units. An additional 35,600 households receive financial assistance to make their rent more affordable in the private market.

The vast majority of British Columbians are housed successfully in the private housing market. Many households, however, are unable to find suitable housing in the private market. In most cases, households spending 50 per cent or more of their income on rent are considered to be in highest need, and at risk of economic eviction or homelessness.

The map below shows BC Housing’s service regions. Using 2006 Census data, the table shows the general distribution of households paying 50 per cent or more of their income on rent and those assisted through the current inventory of subsidized housing units and rent supplements.



<b>INTERIOR</b>	
Total number of households	269,100
Households spending > 50% of their income on rent	8,700
Households assisted through subsidized housing	12,150
<b>FRASER</b>	
Total number of households	514,100
Households spending > 50% of their income on rent	18,200
Households assisted through subsidized housing	27,820
<b>VANCOUVER COASTAL</b>	
Total number of households	419,400
Households spending > 50% of their income on rent	23,300
Households assisted through subsidized housing	32,340
<b>VANCOUVER ISLAND</b>	
Total number of households	297,800
Households spending > 50% of their income on rent	12,100
Households assisted through subsidized housing	15,540
<b>NORTH</b>	
Total number of households	100,300
Households spending > 50% of their income on rent	2,600
Households assisted through subsidized housing	4,800

Many of our program initiatives are designed primarily to address the needs of those who require affordable housing in combination with support services in order to maintain successful tenancies, lead healthier lives and participate more fully in their communities. The following is a summary of some of the groups in greatest housing need.

### **INDIVIDUALS WHO ARE HOMELESS**

- Homelessness is a growing concern for many communities throughout B.C. Some reports estimate the costs of homelessness to the health, social, and justice systems to be over \$55,000 per person per year. (Centre for Applied Research in Mental Health & Addiction, Simon Fraser University)
- Challenges to finding appropriate housing for people who are homeless include those which are housing-related (e.g. affordability, availability or suitability), as well as those that are related to a combination of life events including disabilities, health and mental health issues, addictions, social exclusion, joblessness or a breakdown of relationships.

### **FRAIL SENIORS AND INDIVIDUALS WITH SPECIAL NEEDS**

- Seniors will increase from 14 per cent of B.C.'s population in 2007 to 25 per cent in 2036, putting pressure on social housing. The seniors population (80+) will grow from 4 per cent in 2007 to 8 per cent in 2036. (BC Stats)
- People who require special-needs housing include those with severe physical disabilities or mobility issues, chronic mental illness, those living with HIV/AIDS, and drug and alcohol dependencies.
- Frail seniors and individuals with special needs require a range of support services to help them move to more stable lives, and supportive housing allows them to live independently.

### **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 non-Aboriginal households. (Canada Mortgage and Housing Corporation)
- Aboriginal people are disproportionately represented among those who are homeless.

### **WOMEN AND CHILDREN FLEEING VIOLENCE**

- There were 10,273 incidents of spousal assault reported to police in B.C. in 2005. Spousal assault accounted for more requests for victim services than any other offence. (Ministry of Public Safety and Solicitor General)
- Women and children fleeing violent relationships require immediate access to safety, shelter, food, crisis intervention and referrals.

### **LOW-INCOME SENIORS AND FAMILIES**

- Approximately 64,900 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. (Statistics Canada)
- Adding to this challenge is the extremely low vacancy rate in many areas.



# How We Serve British Columbians

Every aspect of BC Housing’s business is centred on our clients. To best serve those in greatest need for housing and support services, 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 Housing and Social Development, 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.

## DELIVERY PARTNERS

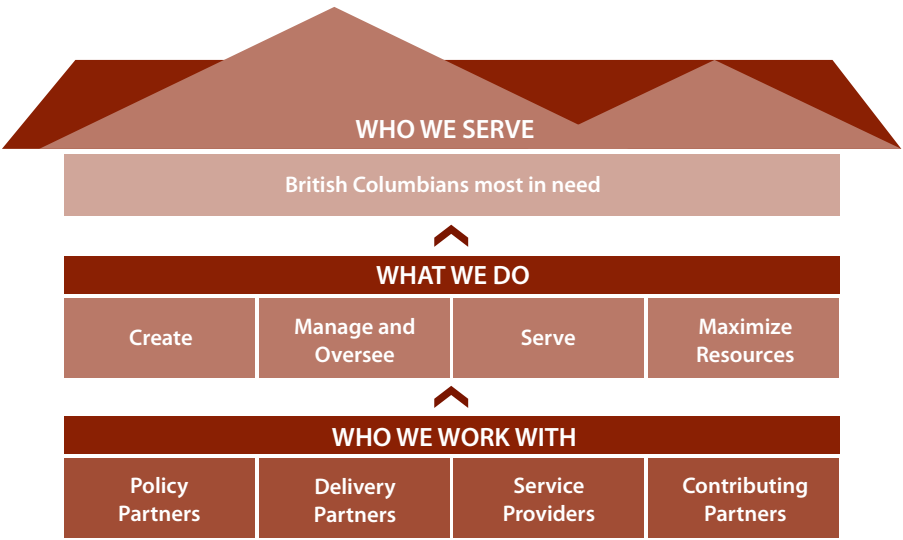
Housing assistance is provided through a number of mechanisms including public, non-profit and co-operative housing, as well as through rent assistance to people living in the private rental market. BC Housing provides financial, administrative and technical support to its delivery partners, in addition to administering long-term operating agreements and the provision of housing subsidies. BC Housing’s role is one of stewardship and accountability.

## SERVICE PARTNERS

BC Housing engages in innovative service partnerships that integrate housing and support services to meet tenants’ needs and ensure stable tenancies. These service partnerships involve other levels of government, health authorities and service providers.

## CONTRIBUTING 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. Municipal governments can contribute through expediting approval processes, waiving DCC’s and offering reduced property taxes, as well as making land available for new housing. 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.



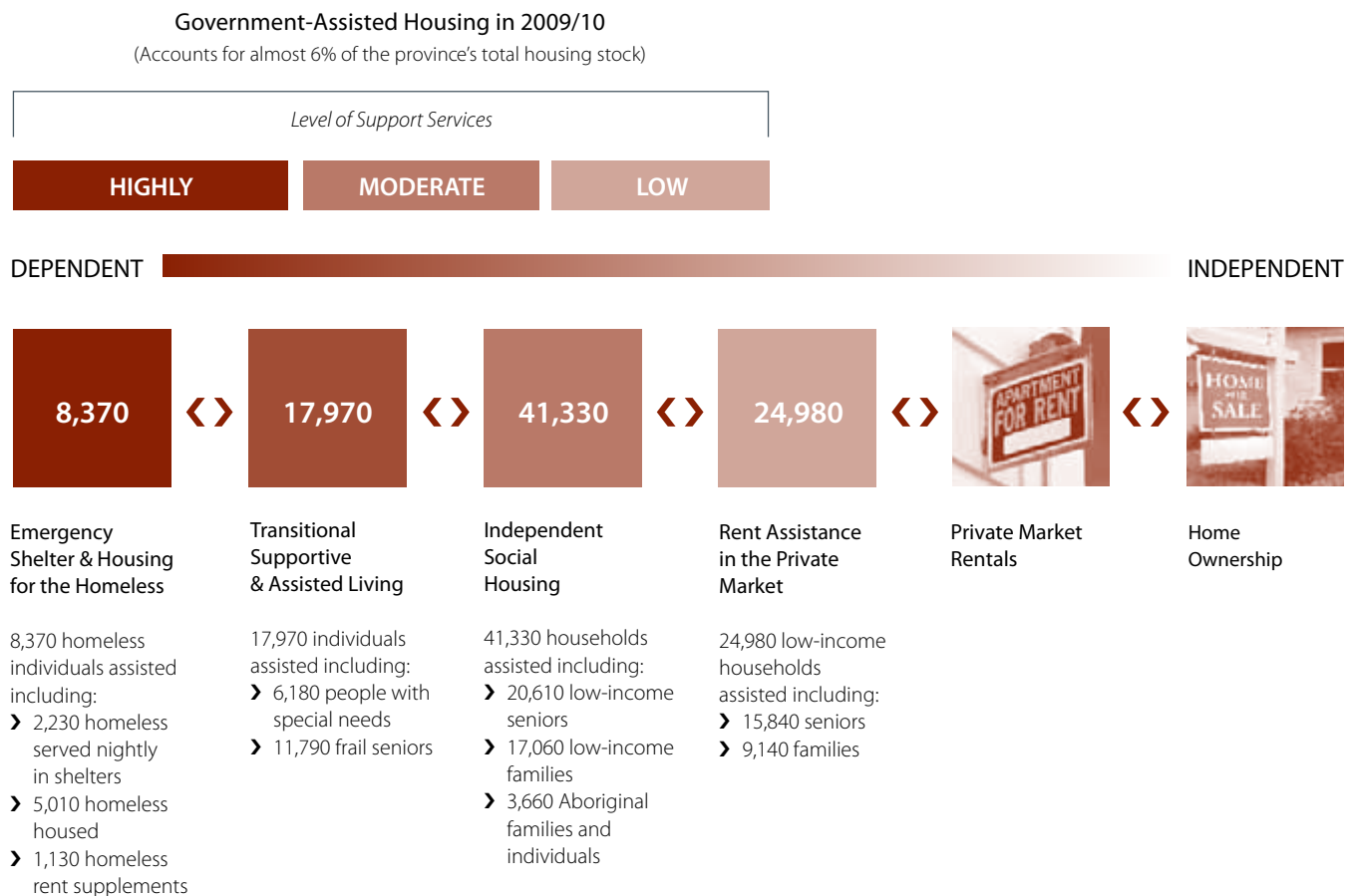
### Key Relationships

*This diagram illustrates BC Housing’s relationships with our key partners and how we work together to provide housing options.*



# BC Housing's Role in the Housing Continuum

The housing continuum extends from emergency shelter and housing for the homeless through to affordable rental housing and home ownership. The diagram below illustrates this continuum, including the portion that is government-assisted with differing levels of support services.



Chronically homeless individuals, often faced with mental health or addiction issues, typically require supportive housing options that will successfully move them from the streets or emergency shelter to stable housing. Frail seniors currently living in independent social housing, in the private rental market or their single family home, may require a housing solution along the continuum that offers a more supportive or assisted living environment.

BC Housing's role is to assist British Columbians in greatest need of affordable and appropriate housing through providing options along the continuum. Where there are gaps in the housing continuum, they are addressed through the creation of new housing options or by adapting existing housing.

# Organizational Structure

## Corporate Governance

### BOARD OF COMMISSIONERS

BC Housing is responsible to the Minister of Housing and Social Development 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 BC Housing's 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.

<b>1. Audit and Risk Management Committee</b> ensures 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.	<b>2. Corporate Governance Committee</b> ensures 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.	<b>3. Human Resources Committee</b> provides a focus on senior management human resource and compensation issues.
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### STANDARDS 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 policy is available on BC Housing's website at [www.bchousing.org](http://www.bchousing.org).

# Shareholder's Letter of Expectations

A key component of the governance frame-work 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* ensures a mutual understanding between the shareholder and BC Housing on 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 British Columbians as set out in the provincial housing strategy *Housing Matters BC*. An excerpt of this letter is shown below, and the letter in its entirety can be found on BC Housing's website.

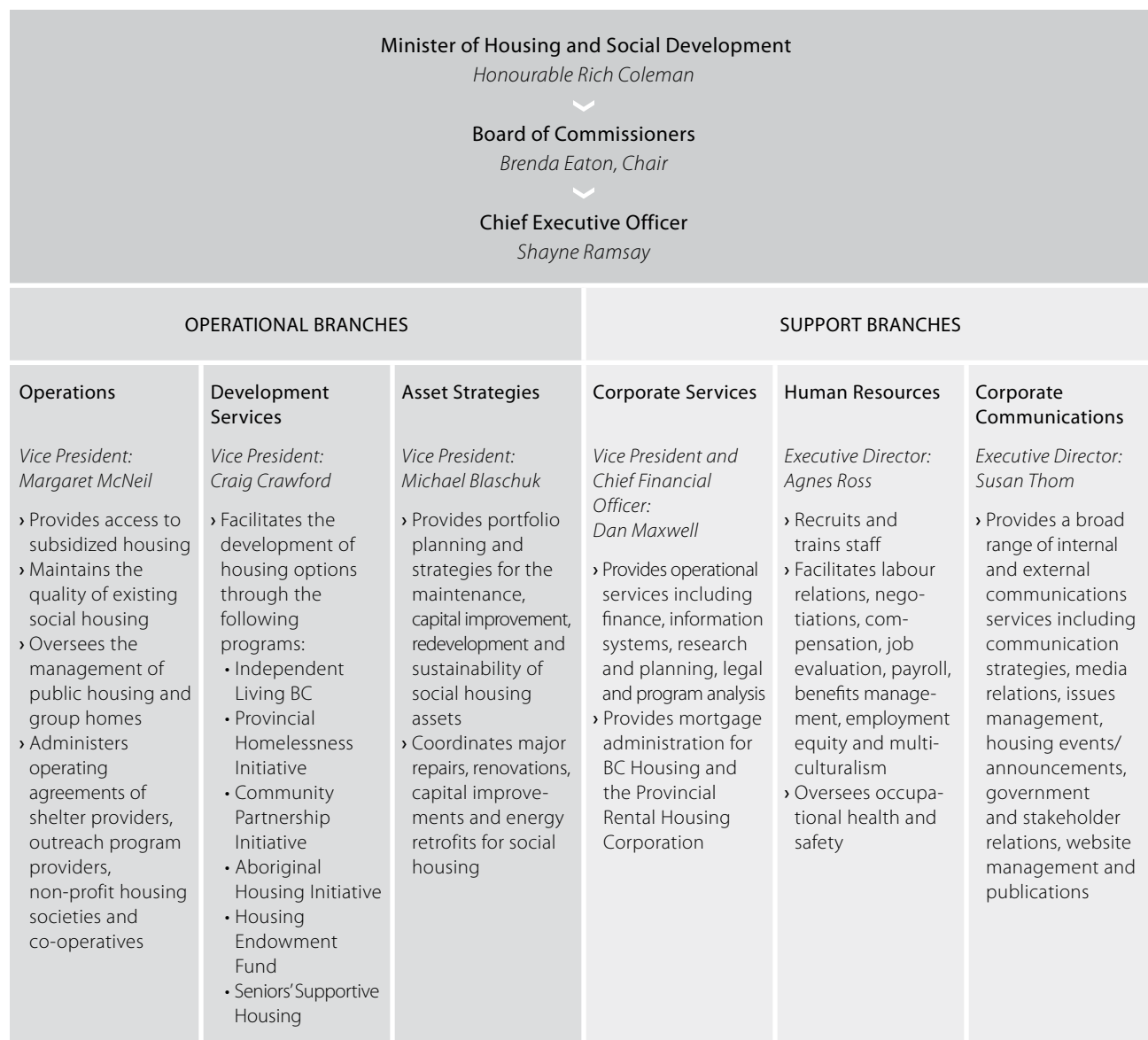
## SHAREHOLDER'S LETTER OF EXPECTATIONS (EXCERPT)

...within the 2008/09 budget confirmed for the Corporation, and the 2009/10 and 2010/11 budget targets and Ministry transfers as set out in the Corporation's 2008/09 to 2010/11 Service Plan, ensure effective planning for, and management and delivery of, housing programs and services by:

- working in partnership with provincial health authorities, the non-profit and private sectors, local governments and others and deliver the Independent Living BC program;
- 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 through the Provincial Homelessness Initiative;
- integrating the federal social housing portfolio with the provincial social housing portfolio;
- 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;
- improving access to, and maximizing the use of, government-owned public housing for those with complex housing and health needs through initiatives such as the Supportive Seniors' Housing Program;
- incorporating environmentally responsible construction and management techniques into new builds and existing developments whenever possible;
- providing support for new ideas and innovative housing solutions that address housing needs not adequately served through existing housing programs through the Housing Endowment Fund;
- finding innovative ways to deliver on its mandate and providing support for innovative projects initiated by others;
- increasing the number of year-round emergency shelter beds;
- connecting homeless people to income assistance, housing and community-based health services through the Homeless Outreach Program;
- assisting seniors and low-income working families who rent housing in the private market with rent subsidies through the Shelter Aid for Elderly Renters and Rental Assistance Programs; and
- ensuring that existing and new funding to agencies providing housing and services is based on accountability for measurable, individual outcomes, which are built into service contracts.

# Organizational Chart

The following chart highlights BC Housing's key service areas and the responsibilities and accountabilities in each area.



## 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, 2008, PRHC held properties with an original cost of \$650 million.

The Minister of Housing and Social Development 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.

## 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.

EXTERNAL FACTORS	CHALLENGES	OPPORTUNITIES AND STRATEGIC RESPONSES
Turbulence in the Economy	Higher incidence of housing need and greater demand on programs during a time of fiscal restraint.	BC Housing will continue to leverage resources through partnerships, strive to deliver service cost effectively and identify new business opportunities along the housing continuum.
Pressures in the Rental Housing Market	Very little purpose-built rental housing is being constructed, and in our urban centres, rents are unaffordable for many people. Additionally, the number of existing rental buildings has diminished as property owners pursue redevelopment opportunities or leave units vacant.	BC Housing acquired 25 single room occupancy hotels in Vancouver, New Westminster and Victoria totalling more than 1,440 rooms. Existing affordable apartment buildings and townhouses have also been purchased in Kamloops, Burnaby, Victoria, Surrey, Quesnel, Port Alberni, Prince George, Penticton, Williams Lake, Mission, Logan Lake, Nanaimo, Abbotsford and Osoyoos totalling approximately 560 units. These rental buildings were purchased to preserve and upgrade an important source of affordable rental housing stock for people at risk of homelessness.
Homelessness	The challenge is to break the cycle of homelessness such that individuals, with outreach and supports, can successfully move from the street and shelter system into stable housing with supports.	<p>New measures have been put into place to address homelessness including: funding so that emergency shelters can remain open 24/7, homeless outreach and emergency rent supplements, development of new supportive housing units and the purchase of single room occupancy hotels noted above.</p> <p>As part of the Premier's Task Force on Homelessness, Mental Illness and Addictions, BC Housing works with provincial ministries, health authorities, local government and housing providers to develop permanent, long-term housing and outreach strategies to respond to homelessness.</p>
Not-In-My-Back-Yard (NIMBY)	As BC Housing focuses on developing new housing for those most in need, strong opposition has emerged in some cases as a result of fear and uncertainty. This type of opposition, referred to as "Not-In-My-Back-Yard" (NIMBY), creates difficulties in addressing homelessness.	BC Housing works with partners to ensure that communities learn more about new developments and that the general public and local governments are able to deal with opposition so that consensus can be more easily achieved to move projects forward.

## Planning Context and Key Strategic Issues (continued)

EXTERNAL FACTORS	CHALLENGES	OPPORTUNITIES AND STRATEGIC RESPONSES
Strong Demand for Affordable Housing	The demand for affordable housing exceeds the supply of resources as indicated by the applicants currently listed in <i>The Housing Registry</i> , BC Housing's database of housing providers and applicants.	Housing resources must be allocated as efficiently as possible to ensure that those in the greatest housing need are given priority. Several key initiatives are underway to improve housing application and selection processes, improve our ability to match applicants with suitable housing, and pilot new models of on-site support services.
Aging Social Housing Portfolio	Many of the buildings that make up the social 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.	<p>We have created a new Asset Strategies Branch to provide a greater focus on planning and strategies for the maintenance, capital improvement, redevelopment and sustainability of our social housing assets.</p> <p>There are also opportunities to renovate these buildings to better meet the needs of tenants and/or to accommodate support services, as well as to improve energy efficiency. Some developments are being converted to supportive housing, responding to increases in demand for affordable housing with support services.</p>
Under-utilized Land	Many of the older social housing developments are located on large parcels of land in central locations that could potentially accommodate more housing.	Buildings that occupy under-utilized land are beginning to be redeveloped. 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. The redevelopment process on British Columbia's first social housing development, Little Mountain, is underway. Proceeds from redevelopment of public housing will be reinvested into affordable housing. As BC Housing moves forward on redevelopment initiatives, we will ensure that no current tenant will be left without housing assistance.
Labour Supply, Aging Demographics and Internal Capacity	The shortage of capable labour and the potential loss of intellectual capital pose 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. As well, 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.	In 2006 BC Housing launched the People Strategy to ensure an engaged workforce for the benefit of all clients and stakeholders. This strategy strives to recruit and retain skilled, committed employees, and provides learning and growth opportunities, leadership development and succession planning to meet our commitments today and in the future.

<b>EXTERNAL FACTORS</b>	<b>CHALLENGES</b>	<b>OPPORTUNITIES AND STRATEGIC RESPONSES</b>
<p>Enhanced Federal-Provincial Relationship</p>	<p>Participation from the federal government is needed to respond more effectively to growing demand for affordable housing.</p>	<p>Until 2008/09 the federal government contributed funding to help address short-term pressures in the supply of affordable housing. A total of \$106 million flowed to BC Housing to offset the cost of constructing new housing under the Independent Living BC and the Provincial Homelessness Initiative programs.</p> <p>Most recently, the federal government's 2009 budget includes housing partnership initiatives for investments in social housing renovation and energy retrofits as well as the construction of new social housing.</p>
<p>Aboriginal Capacity Building</p>	<p>The number of Aboriginal people living off-reserve who are homeless or in core housing need is higher than the incidence of need in the larger population.</p>	<p>BC Housing is working closely with the Aboriginal Housing Management Association (AHMA) to ensure the successful transition and management of the off-reserve federal Aboriginal housing portfolio. AHMA manages 189 units of off-reserve Urban Native Housing. BC Housing staff have been working with AHMA to share knowledge and technical expertise. This Aboriginal self-management model for social housing is the first of its kind in Canada.</p>
<p>Environmental Sustainability</p>	<p>Addressing the problem of climate change is a priority for British Columbia. The B.C. government has set out the challenge to make all government operations carbon neutral by 2010. Government agencies have been called upon to demonstrate best practices and lead the way by corporate example.</p>	<p>BC Housing has initiated livegreen: A Housing Sustainability Action Plan that is focused on sustainability improvements in new and existing social housing as well as our operations.</p> <p>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.</p>
<p>Public-Private Partnerships (P3)</p>	<p>Public-private partnerships can respond to local housing challenges and create additional housing units without the need for ongoing operating subsidies.</p>	<p>BC Housing has entered into a number of innovative partnership initiatives with municipalities, non-profit societies, the private sector and other housing partners. There are further opportunities for BC Housing to work with communities to move projects forward faster.</p>



# Planning Context and Key Strategic Issues (continued)

EXTERNAL FACTORS	CHALLENGES	OPPORTUNITIES AND STRATEGIC RESPONSES
Effective Management Strategies	BC Housing and housing providers share a common interest in establishing effective program management strategies that strive for innovation and harmonization.	BC Housing is actively engaged in identifying strategies to streamline and improve program administration, reduce costs and promote sustainability. The Canada-B.C. Social Housing Agreement 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, we can help housing providers take some of the pressure off their budgets.
Sector Sustainability	B.C.'s social housing stock is supported by a large number of housing providers. About 77 per cent of social housing units in the province is provided by the non-profit and co-operative housing sector. Almost 50 per cent of these providers are responsible for single housing developments.	BC Housing is working with the BC Non-Profit Housing Association (BCNPHA) to ensure the sector remains robust. BC Housing and BCNPHA share common goals that promote greater resource and information sharing, research as well as governance and administrative models to protect non-profit and co-operative housing for the long-term.

# 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 \$3.2 million in 2009/10 and up to \$7.7 million in 2011/12</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>
Investment returns fluctuations	<ul style="list-style-type: none"> <li>• Volatility in the global financial markets impacts the rate of return on investments</li> </ul>	<ul style="list-style-type: none"> <li>• Engage sound investment managers that balance risk and return over the long term</li> <li>• Diversify the portfolio with a strategic asset mix of various financial instruments such as equities and bonds</li> <li>• Review and re-balance the strategic asset mix as required</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>
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 future maintenance costs</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 \$1.7 million in 2009/10</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 \$0.7 million in 2009/10</li> </ul>	<ul style="list-style-type: none"> <li>• Bulk purchasing for insurance, natural gas and appliances</li> <li>• Best operational and management practices by housing providers</li> </ul>

# Strategic Directions

## Long-term

BC Housing has established five strategic directions that will guide our activities and strategies over the next five years and beyond, in keeping with our mandate and vision.

- **Homelessness** – take a lead role in resolving homelessness in B.C. by planning, leveraging resources and coordinating efforts through partnerships.
- **Housing with Health and Social Supports** – address the gaps that exist in the provision of housing with health and social services for vulnerable groups.
- **Aboriginal Housing** – play a key role in supporting a robust and self-sustaining Aboriginal housing sector.
- **Environmental Sustainability** – become a recognized leader in sustainable social housing management and development in North America.
- **New Opportunities** – take advantage of new business opportunities to respond to the need for affordable housing at the private rental and home ownership end of the housing continuum.

## Short-term

We have also identified a number of short-term goals and objectives to help us meet our corporate priorities over the service planning period. These goals and objectives are integrated with our performance measurement framework.

- **Respond to gaps in the housing continuum** – increase housing options and adapt existing social housing stock to target resources to those most in need.
- **Protect and manage existing housing** – maintain the quality of existing assets and set adequate provisions for future requirements.
- **Provide access to appropriate housing and services for vulnerable British Columbians** – improve the ease of access to housing and target existing housing to those most in need.
- **Organizational excellence** – achieve financial and operating success, environmental leadership in the housing sector and a high level of employee engagement.

# Performance Measurement Framework

## Introduction

This section sets out BC Housing's goals, objectives, performance measures and targets for 2009/10 to 2011/12. Our Performance Measurement Framework (PMF) provides strong linkages with government's key strategies. We are focused on ensuring alignment with our business direction and corporate priorities, and work to continually strengthen our reporting and measurement framework. An overview chart of our PMF is shown on page 17 where performance targets are presented along with historical results.

The goals, objectives and performance measures remain unchanged in this Service Plan compared to last year's plan. Targets have been revised for the following performance measures:

- Number of new units/beds created in priority areas
- Number of new households assisted through rent assistance programs
- Ratio of replacement reserve contributions to actual expenditures
- Percentage of new applicants reporting satisfaction with the process
- Percentage of homeless individuals accessing housing who remain housed six months after placement
- Percentage of clients belonging to priority groups in subsidized housing

Generally these target adjustments reflect trend data on results achieved, and anticipated performance for the measures over the service planning period. Results are benchmarked externally where possible.

Further information regarding these target changes, as well as more information on our PMF are contained in the Service Plan Appendices:

- Appendix A – Changes in Reporting
- Appendix B – Disclosure of Key Reporting Judgments that includes information regarding data sources, methodology, reliability and benchmarks.
- Appendix C – Glossary of Terms

Appendices can be found on our website at [www.bchousing.org](http://www.bchousing.org).

# BC Housing Performance Measurement Framework 2009/10 to 2011/12

Goals		Objectives		Measures	
Goal 1: Respond to gaps in the housing continuum	➤	Increasing housing options	➤	Number of new units/beds created in priority areas	➤
	➤	Adapt existing stock to target resources to vulnerable households	➤	Number of new households assisted through rent assistance programs	➤
	➤		➤	Number of existing units adapted to higher priority needs	➤
Goal 2: 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	➤
	➤		➤	Percentage of social housing providers meeting financial and operational standards	➤
	➤		➤	Ratio of replacement reserve contributions to actual expenditures	➤
Goal 3: Provide access to appropriate housing and services for vulnerable British Columbians	➤	Ease of access to housing	➤	Percentage of new applicants reporting satisfaction with the process	➤
	➤		➤	Percentage of nights where shelters are at full occupancy	➤
	➤		➤	Percentage of homeless individuals accessing housing who remain housed 6 months after placement	➤
Goal 4: Organizational excellence	➤	Available housing targeted to vulnerable citizens	➤	Percentage of clients belonging to priority groups in subsidized housing	➤
	➤	Financial and operating success	➤	Controllable administration costs as percentage of program delivery costs	➤
	➤		➤	Per-square-foot construction costs	➤
	➤	Environmental leadership in the housing sector	➤	Percentage reduction in Greenhouse Gas Emissions	➤
	➤	High level of employee engagement	➤	Employee engagement index	➤

<sup>1</sup> Targets reflect completion of units under existing funding programs. Targets will be revised as resources are identified, in particular under Memorandum of Understanding (MOU) agreements negotiated with local governments.

<sup>2</sup> Targets decline as most eligible families and seniors will have become program recipients in earlier years (particularly following enhancements made to the Rental Assistance Program in early 2008/09).

<sup>3</sup> Targets reflect the recent integration of the older federal housing portfolio that has experienced higher than anticipated expenditures due to its physical condition.

<sup>4</sup> Target adjustment (compared to 2008/09) reflects a change of methodology to not include rental assistance programs in this measure.

06/07 Results	07/08 Results	08/09 Targets	08/09 Forecast	09/10 Targets	10/11 Targets	11/12 Targets
2,472	2,437	1,405	1,487	663 <sup>1</sup>	348	70
4,394	7,847	3,000	5,500	4,700 <sup>2</sup>	4,100	1,700
500	674	700	850	850	950	1,050
77%	78%	78%	78%	78%	78%	78%
92%	93%	90%	90%	90%	90%	90%
1.52:1	1.40:1	1.39:1	1.20:1	1.12 <sup>3</sup>	1.10	1.10
90%	90%	75%	90%	90%	90%	90%
42%	42%	50% or less	50% or less	50% or less	50% or less	50% or less
New Measure 2008/09	New Measure 2008/09	60%	60%	60%	61%	62%
83%	79%	84%	81%	82% <sup>4</sup>	83%	84%
7.5%	7.5%	10% or less	10% or less	10% or less	10% or less	10% or less
Within 2.72% of private sector bench-mark	Within 4.73% of private sector bench-mark	Within 5%	Within 5%	Within 5%	Within 5%	Within 5%
New Measure 2008/09	New Measure 2008/09	5% from 2005/06 levels	5% from 2005/06 levels	10% from 2005/06 levels	15% from 2005/06 levels	20% from 2005/06 levels
Top quartile	Top quartile	Top quartile	Top quartile	Top quartile	Top quartile	Top quartile

# Goal 1 – Respond to Gaps in the Housing Continuum

BC Housing plays a critical role in responding to gaps in the housing continuum through a range of program options targeted to those in greatest need. We do this by:

- Creating new units/beds on the supportive end of the housing continuum;
- Providing assistance to low-income seniors and families renting in the private market; and
- Adapting existing buildings to target resources to those in greatest need.

The measures and targets for this goal track BC Housing's performance in increasing housing options in subsidized and private rental housing, and making more effective use of existing social housing units.

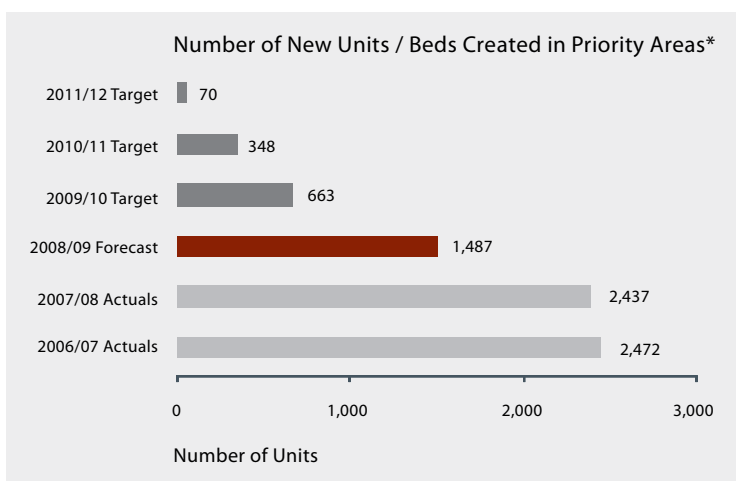
## Objective: Increasing Housing Options

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

#### Importance of the Measure

This measure looks at BC Housing's performance with respect to creating new units on the supportive end of the continuum of housing, as well as new short-stay beds in some communities (in combination with supported housing). The *Independent Living BC*, *Provincial Homelessness Initiative*, *Community Partnership Initiatives* and *Aboriginal Housing Initiative* 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 targets are based on the completion of units under existing funding programs. The targets will be revised as resources are identified, in particular under Memorandum of Understanding (MOU) agreements negotiated with local governments.

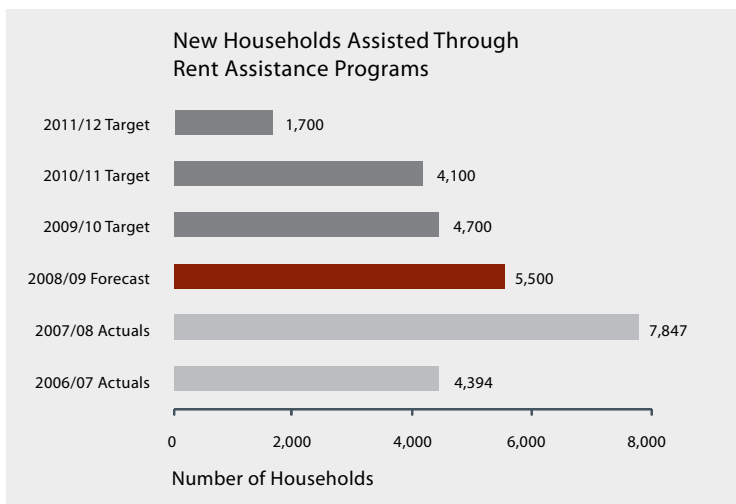


### MEASURE: NUMBER OF NEW HOUSEHOLDS ASSISTED THROUGH RENT ASSISTANCE PROGRAMS

#### Importance of the Measure

This measure looks at the success of BC Housing's rent assistance programs, *SAFER* and the *Rental Assistance Program*, in improving access by low-income households to affordable rental housing. These programs assist working families and seniors who do not have enough income to find housing in the private rental market by helping to bridge the gap between what a household can afford to pay and market rents, thereby providing a greater range housing choices.

It is anticipated that the number of new applicants will increase by 4,700 in 2009/10 due primarily to enhancements made to the Rental Assistance Program in April 2008. The targets decline in future years as most eligible families and seniors will have become program recipients in earlier years.





## Objective: Adapt Existing Housing Stock to Target Resources to Those Most in Need

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

#### Importance of the Measure

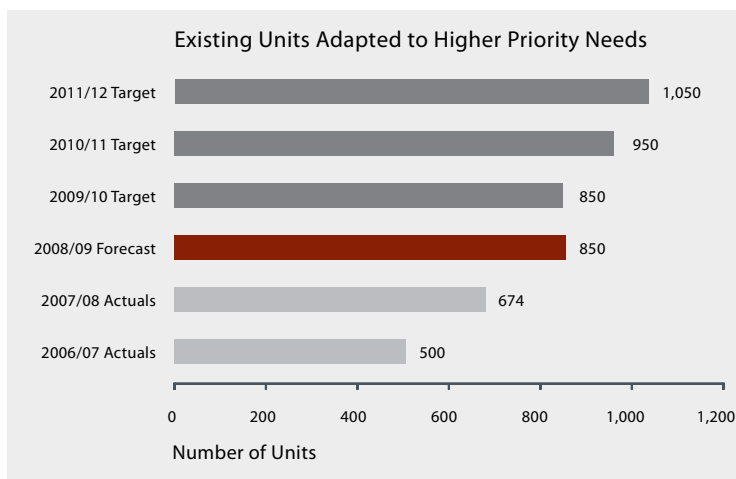
This measure looks at BC Housing's performance in ensuring that those most in need receive priority for housing assistance through the conversion, adaptation or re-targeting of existing social housing units. Partnerships, including those with local health authorities, government ministries, local agencies and service providers, are critical to achieving our targets.

The targets show steady growth in the number of adapted units over the service planning period. Targets are based on historical data on the number of individuals and households assisted through the *Health Services* and *Priority Placement* programs, as well as through the *Seniors' Supportive Housing Program* and other partnership initiatives.

The targets also 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 play a critical role responding to gaps along the housing continuum, with an emphasis on targeting resources to those in the greatest housing need consistent with *Housing Matters BC*. Homelessness is a priority, with the application of innovative approaches to move homeless individuals from the street and temporary shelter to supportive housing environments, including new buildings developed in partnership with local governments. We are also continuing to adapt existing housing to meet changing needs, and establishing community partnerships to increase awareness of the rent assistance programs among those who would most benefit.



# 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 a key 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. By maintaining high building and property maintenance standards, we provide good quality housing and protect the taxpayers’ investments in social housing. This housing also contributes to a high quality of life for residents and to the social fabric 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 various strategies such as 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. We rely on client feedback to ensure that existing management practices are achieving positive results.

## Objective: Maintain the Quality of the Existing Assets

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

#### Importance of the Measure

Feedback from tenants living in public housing is obtained through an annual survey. The results help us to determine whether tenants are satisfied with their housing and receiving the services and support they need. Year-over-year results are analyzed across developments and client groups, thereby helping to provide important insight that is used to strengthen and improve the services we provide.

The measure reports on the percentage of tenants indicating that they are either very satisfied or 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.



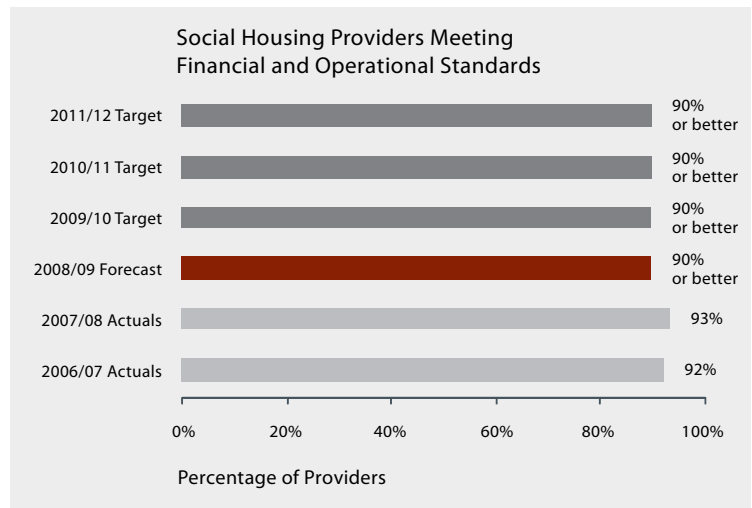
## Objective: Maintain the Quality of the Existing Assets (continued)

### 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 financial and operational reviews. The operational review process is based upon site and building audits designed to assess housing provider performance in the following key areas: maintenance and building inspections; financial management; resident management; information and records management; and human resource management. A score is assigned based on the assessment and appropriate follow-up actions taken.

The target of 90 per cent over the service planning period anticipates that the housing sector will continue 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.



## Goal 2 (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 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 as surplus funds are drawn down to meet the higher costs of an older building. The targeted ratio of 1.12:1 for 2009/10 means that for every \$1.12 contributed to the Replacement Reserve, \$1.00 will be spent on maintenance.

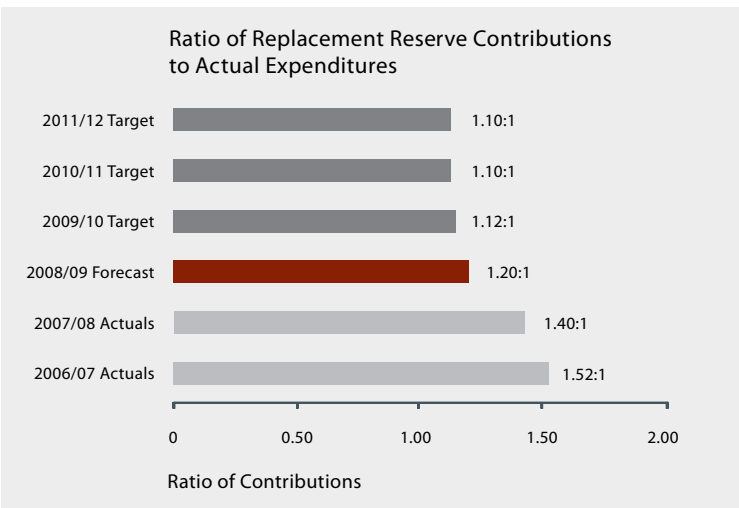
The targets for this measure have been adjusted downward. Although this ratio is appropriate for the age and quality of the non-profit portfolio, the lower ratio is in part due to the integration of the older federal social housing portfolio that has experienced higher than anticipated expenditures due to its physical condition. In addition, housing providers were encouraged to use their replacement reserves to undertake building envelope repairs, resulting in lower replacement reserves.

##### Future Directions

Community development and building improvement strategies are being put in place in some public housing buildings to ensure that tenant satisfaction with the quality and safety of their housing remains high, particularly in view of the greater levels of support needs among tenants with complex physical and mental health issues.

We will continue to carry out retrofit initiatives that not only extend the useful life of the building, but also create energy efficiencies and promote environmental sustainability. Strategies will be developed for the redevelopment, regeneration and retrofit of existing buildings to optimize the use of these assets and to better serve the needs of tenants.

We will also continue to pursue opportunities for the harmonization of existing programs that have arisen through the transfer of the administrative responsibility for the federal social housing portfolio to BC Housing. Opportunities will be explored that will generate economic and administrative 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

This goal ensures that low-income individuals and families in greatest need have access to the housing and support services they require. This diverse group faces significant barriers in accessing housing in the private market as result of low income in combination with a disability, health issue, mental illness, addiction or other serious circumstance such as domestic violence.

Access to subsidized housing, from emergency shelters and transition houses to long-term supported housing, plays a critical role in providing stability and needed services. Given the urgency of need, it is important to ensure these limited housing resources are used as effectively as possible.

The measures under this goal focus on two key objectives of ease of access to housing and ensuring that available housing resources are targeted to those in greatest need.

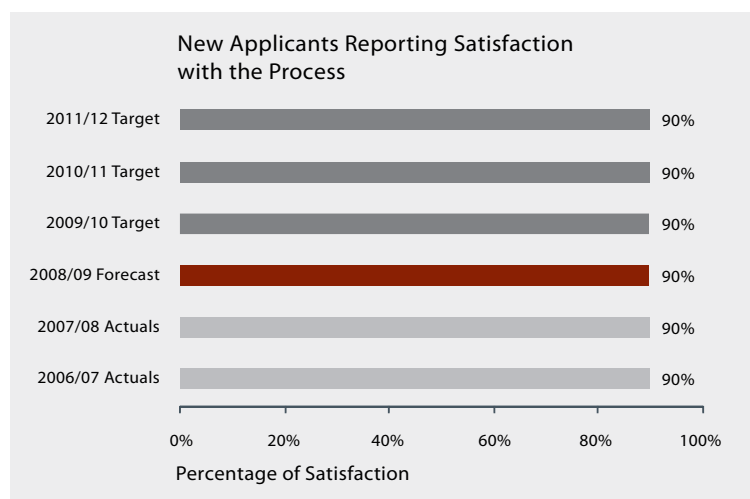
## Objective: Ease of Access to Housing

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

#### Importance of the Measure

This measure looks at our performance from an applicant perspective by assessing the degree to which applicants are receiving the information they need 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 very satisfied or satisfied with the application process including information that they received and the assistance provided through BC Housing.



Past performance for this measure has exceeded the target. For 2009/10 onward the targets have been adjusted upward to more accurately reflect the results being achieved and continued performance during the service planning period. Satisfaction levels are monitored closely to review the effects of revised tenant eligibility and selection processes (to prioritize applicants based on the depth and urgency of their housing need) and the higher level of detailed application information required for priority access to housing that were implemented in 2008/09. To date, this has not significantly affected satisfaction levels.

## Goal 3 (continued)

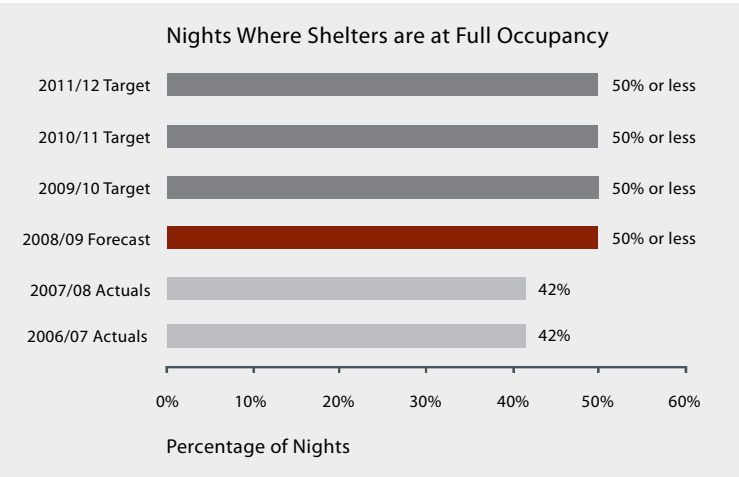
### Objective: Ease of Access to Housing (continued)

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

##### Importance of the Measure

This measure looks at the capacity of the shelter system under the *Emergency Shelter Program* and the need to achieve a balance between ensuring that the space is well used yet minimizing instances where they are at full capacity and must turn people away. The measure recognizes that emergency shelters are part of the housing continuum and, through the services provided, can serve as a gateway for the individual to a point further along the housing continuum.

For 2009/10 the target remains unchanged at 50 per cent or less nights where shelters are at full occupancy. This measure will remain in place as we obtain full-year baseline data for the measure described below.

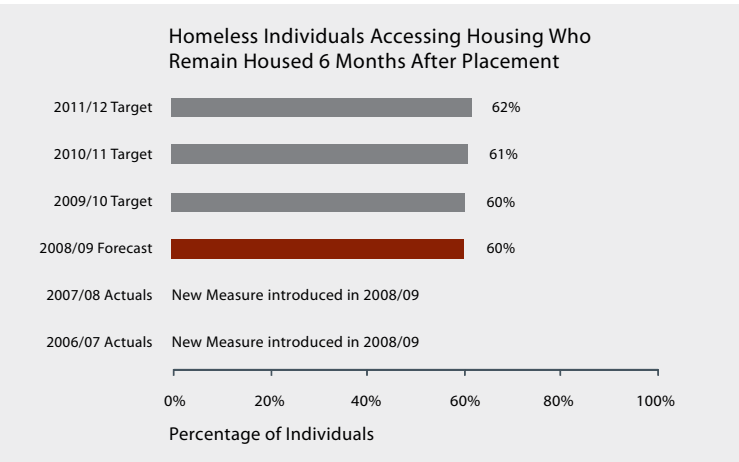


#### MEASURE: PERCENTAGE OF HOMELESS INDIVIDUALS ACCESSING HOUSING WHO REMAIN HOUSED SIX MONTHS AFTER PLACEMENT

##### Importance of the Measure

Measuring the percentage of individuals accessing housing and remaining housed six months after placement will enable BC Housing to assess how well the goal of improving access to housing and support services for homeless people is being met.

The measure takes into account the number of homeless people that become housed in more stable environments with appropriate supports in place, aimed at preventing them from returning to the street.



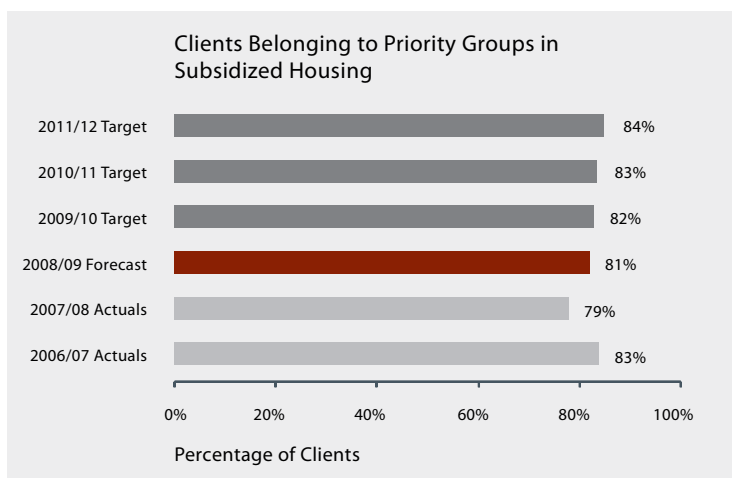
The targets are based on research in other jurisdictions, and will be refined once full-year baseline data is obtained. An initial target of 60 per cent has been set based on this research and reflects the shift occurring within the sector to provide more individualized services and follow-up.

## Objective: Available Housing Targeted to those Most in Need

### MEASURE: PERCENTAGE OF CLIENTS BELONGING TO PRIORITY GROUPS IN SUBSIDIZED HOUSING

#### Importance of the Measure

In keeping with directions set out in *Housing Matters BC*, this measure allows us to define our performance in ensuring that those in greatest need receive priority assistance for housing. For the purposes of this measure, low-income or frail seniors, persons with physical or mental disabilities, those with mental illness, women and children who have experienced domestic violence, those facing alcohol and drug addiction challenges, Aboriginal families and individuals, and those who are homeless or at risk of homelessness are considered to be among those in greatest housing need.



The targets are set to reflect the number of households that fall within one of the designated priority groups and are currently living in social housing. In 2007/08, the methodology was changed to exclude rent assistance programs and focus the measure on clients living in social housing buildings. As a result the targets were adjusted downward to reflect this change. The targets increase gradually over the service planning period as we continue to house clients belonging to priority groups.

#### Future Directions

Ensuring that those in greatest need have access to housing and support services will continue to be a priority. Addressing homelessness is a significant challenge, and the initiatives that have been put into place including building new supportive housing, *Homeless Outreach Program*, rent supplements and increased funding for emergency shelters to open 24/7 help to ensure that homeless individuals gain access to the services, supports and housing they need. Implementing these strategies to break the cycle of homelessness will represent an important area of focus going forward.

Initiatives have been put into place to enable BC Housing to better serve applicants and priority groups in the public housing stock. We are employing strategies to better understand: i) applicant and tenant needs as they relate to health and social supports, ii) physical building characteristics needed to better match applicants to appropriate units, and iii) the best use for each social housing development with respect to the level of support services available to tenants.



# 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 social housing system.

The measures for this goal are about ensuring that we deliver the best possible services in a cost-effective and competent 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. The goal of organizational excellence also includes BC Housing’s role in providing environmental leadership in the housing sector by setting targets to reduce greenhouse gas emissions, and ensuring social housing buildings contribute to sustainable community development.

Our strategies for organizational excellence build on the skills, energy, talent and dedication of the staff who work at BC Housing. BC Housing has 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 leadership development, employee engagement, growth and learning, wellness and succession planning.

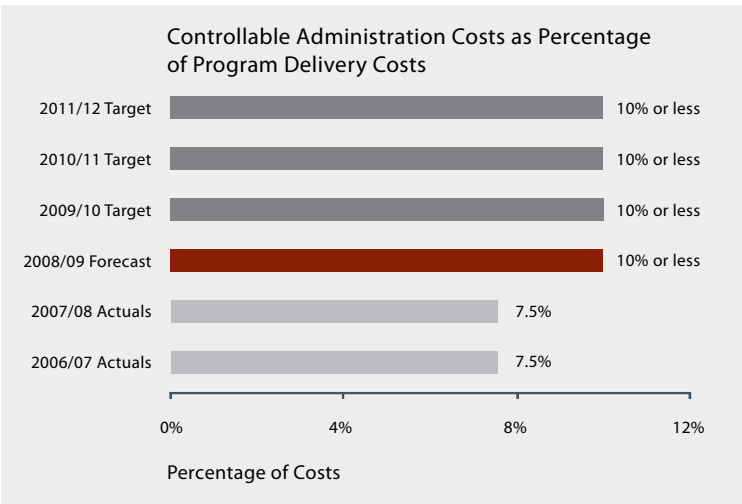
## Objective: Financial and Operating Success

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

#### Importance of the Measure

This 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 other housing providers in other jurisdictions. The targets are set to ensure that BC Housing continues to maintain this level of performance.



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

#### 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 within the broader residential construction industry.

The targets reflect construction costs that are comparable with the market and demonstrate value-for-money. Major cost pressures, such as the cost of materials and availability of skilled labour, have lessened somewhat with the recent changes in the economy. These cost pressures will continue to be monitored going forward.

Per-Square-Foot Construction Costs	
2011/12 Target	Within ±5% of the private sector benchmark
2010/11 Target	Within ±5% of the private sector benchmark
2009/10 Target	Within ±5% of the private sector benchmark
2008/09 Forecast	Within 5% of the private sector benchmark
2007/08 Actuals	Within ±4.73% of the private sector benchmark
2006/07 Actuals	Within 2.72% of the private sector

## Objective: Environmental Leadership in the Housing Sector

### MEASURE: PERCENT REDUCTION IN GREENHOUSE GAS EMISSIONS

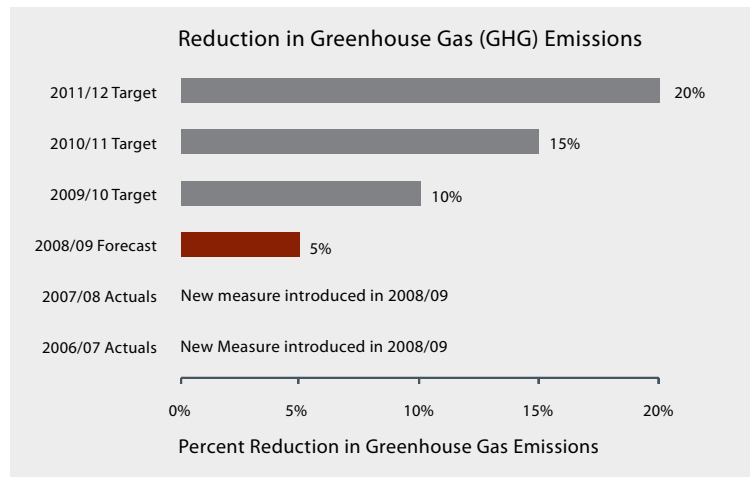
#### Importance of the Measure

This measure provides a means of establishing BC Housing's progress towards meeting the government's greenhouse gas (GHG) emission reductions. Setting targets of five per cent reduction per year (based on 2005/06 levels) will ensure that BC Housing is making steady progress in GHG emission reductions and achieves carbon neutral status as soon as practical.

This measure considers GHG emissions from activities in offices and public housing buildings managed by BC Housing. Measures are based on:

- Tonnes of GHG emissions per tenant (public housing buildings)
- Tonnes of GHG emissions per employee (BC Housing offices)
- Tonnes of GHG emissions per square foot of floor area (public housing buildings and BC Housing offices)

GHG emissions are calculated based on energy consumption data. Any shortfall in reaching carbon neutrality will have to be made up for by purchasing carbon credits. BC Housing will use an appropriate methodology for calculating GHG emissions from energy use data and for purchasing carbon emission credits.



# Objective: High Level of Employee Engagement

## MEASURE: EMPLOYEE ENGAGEMENT INDEX

### Importance of the Measure

BC Housing employees play a critical role in its organizational performance. Employee engagement is a productivity indicator, based on employee satisfaction and motivation. A focus on employee engagement fosters an environment of greater creativity, innovation, organizational excellence and customer service. A significant contributor to an engaged workforce is access to leadership, learning and growth opportunities, which serve to meet business objectives as well as the personal aspirations of employees.

Employee Engagement Index	
2011/12 Target	Top quartile of benchmark employers
2010/11 Target	Top quartile of benchmark employers
2009/10 Target	Top quartile of benchmark employers
2008/09 Forecast	Top quartile of benchmark employers
2007/08 Actuals	Top quartile of benchmark employers
2006/07 Actuals	Top quartile of benchmark employers

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.

The target is set to ensure that employee engagement continues to be an important focus within the organization and is supported by its People Strategy.

### Future Directions

BC Housing's focus on customer service, organizational excellence and innovation enables us to be a responsive organization and effectively deliver on our core business areas and key goals, and to effectively implement the key strategies contained in *Housing Matters BC*. Our continued focus on the multi-year People Strategy is a critical element in moving forward.

In 2008/09 we will begin reporting on reduction in greenhouse gas emissions from activities in offices and public housing buildings, demonstrating our vision of becoming a leader in environmental sustainability in the social housing sector as described in our *livegreen: A Housing Sustainability Action Plan*.

Looking for new and better ways to reduce our environmental footprint, control costs during a period of fiscal restraint and streamline and improve program administration are all important parts of this goal. Emphasis on innovations in research and information technology also support continuous business improvement as it applies to the management of existing housing and the integration of support services to better support tenants.

# Financial Overview

## Summary Financial Outlook

The following table reflects the financial projections for the planning period including funding contributions from other partners. The 2009/10 budgeted allocation is 584 full-time employees (FTEs).

### SUMMARY OF FINANCIAL RESULTS AND BUDGET PROJECTIONS - 2003/04 TO 2011/12

(in thousands of dollars)

	2003/04 ACTUAL	2004/05 ACTUAL	2005/06 ACTUAL	2006/07 ACTUAL	2007/08 ACTUAL	2008/09 FORECAST	2009/10 FORECAST	2010/11 FORECAST	2011/12 FORECAST
Revenues									
Provincial Share *	151,365	157,831	200,274	318,644	351,690	415,745	319,427	314,260	314,260
Federal Share	91,498	90,237	102,904	135,852	141,270	139,616	139,137	137,851	137,265
Other **	35,897	35,703	39,944	43,044	46,802	40,974	45,861	66,171	73,633
Total Revenues	278,760	283,771	343,122	497,540	539,762	596,335	504,425	518,282	525,158
Expenditures									
Non Profit & Co-operative Housing	179,753	183,505	217,550	369,149	384,923	406,833	308,995	312,986	318,789
Public Housing	52,870	55,033	68,287	54,305	59,752	67,206	53,451	63,089	64,327
Rent Supplement Assistance	25,919	24,571	25,457	43,337	60,211	78,851	94,062	94,359	95,188
Administration	20,146	20,595	31,760	30,642	34,743	43,445	47,917	47,848	46,854
Total Expenditures	278,688	283,704	343,054	497,433	539,629	596,335	504,425	518,282	525,158
Excess of revenue over expenditures	72	67	68	107	133	-	-	-	-
Net Assets	1,008	1,075	1,143	1,249	1,382	1,382	1,382	1,382	1,382

\* In 2009/10 this includes funding of \$308.3 million provided directly by the provincial government to BC Housing, plus \$11.1 million provincial funding through other partnering ministries.

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

In 2008/09, BC Housing's provincial budget increased by 10 per cent or \$56.6 million over the prior year actual expenditures and increased by 18 per cent compared to the prior year's budget<sup>5</sup>. This increase was the result of one-time grants for the pre-development approvals, one-time expenditure to acquire eight properties, the conversion of social housing, funding for building energy efficiency retrofits, funding for increased take-up of the *Rental Assistance Program*, enhancements to the *Emergency Shelter Program*, and subsidies for new units under housing programs.

In 2009/10, BC Housing's total budget will decline by nearly 15 per cent or \$91.9 million. The budget change is mainly the result of:

- The one-time expenditure to acquire eight properties in five communities to provide a range of housing options, which decreased by \$30 million.
- New housing units completed under the *Independent Living BC* and *Provincial Homelessness Initiative* programs, which adds \$5.9 million,
- The completion of the Affordable Housing Trusts, the pre-development grants and the funding for building energy efficiency retrofits, which decreased by \$64.0 million;
- The final phases of the conversion of housing units under the Seniors' Supportive Housing (SSH) program, which decreased by \$8.8 million; and
- Higher tenant rent revenue and investment income, which add \$five million.

<sup>5</sup> The budget for comparison purposes is the 2007/08 budget as originally published in BC Housing's 2007/08 - 2009/10 Service Plan.

BC Housing’s total approved budget of \$504.4 million in 2009/10 has more than doubled since 2001/02 (up \$244.9 million). The provincial contribution to BC Housing’s budget has increased more than two times over that same period.

The federal government is expected to contribute up to \$139.1 million in 2009/10, which comprises about 28 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.



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.

The growth in administration costs is being controlled to ensure that BC Housing stays efficient (see chart above). This chart also illustrates that compared to the 2003/04 to 2005/06 fiscal years, rent assistance and non-profit subsidies are receiving an increasing percentage of the housing budget during the 2009/10 to 2011/12 planning period. There was an increase in the previous two years due to the funding from the various housing trusts. Compared to the previous two years, the public housing expenditures are maintaining the same level of funding for the continuation of the energy efficiency projects and building envelope repairs.

# BC Housing's Business Overview

The table below provides an overview of BC Housing's key activities and expected results for 2009/10.

## Business Overview – 2009/10

Funding	Program Expenditures	Service Allocation	Households Served
Provincial Government \$308.3 M	Emergency Shelter and Housing for the Homeless \$101.3 M	Emergency Shelter and Housing for the Homeless 8,370 units	Homeless/Homeless at Risk 8,370 households
Federal Government \$139.1 M	Transitional Supported and Assisted Living \$104.3 M	Transitional Supported and Assisted Living 17,970 units	Special Needs 6,180 households
Tenant Rent \$34.4 M	Independent Social Housing \$220.9 M	Independent Social Housing 41,330 units	Low-Income Families 26,200 households
Provincial Partnering Ministries \$11.1 M	Rent Assistance in the Private Market \$77.9 M	Rent Assistance in the Private Market 24,980 units	Seniors 48,240 households
Other \$11.5 M			Aboriginal Families and Individuals 3,660 households
<b>Total Revenues</b> <b>\$504.4 M</b>	<b>Total Expenses</b> <b>\$504.4 M</b>	<b>Total Units</b> <b>92,650</b>	<b>Total Households Served</b> <b>92,650</b>

In 2009/10, \$504.4 million will be spent on developing, maintaining and managing 92,650 housing units through a variety of program options. Approximately 41 per cent of funding (\$205.6 million in 2009/10) is allocated to non-profit and co-operative housing providers that operate emergency shelters and housing for the homeless, frail seniors, and individuals with a great need. Forty-four per cent (\$220.9 million in 2009/10) of funding is allocated to fund projects for low-income families, Aboriginals and seniors living in independent social housing, and 15 per cent is allocated to rent assistance (\$77.9 million in 2009/10) for independent seniors and families renting in the private market.

Provincial and federal governments are expected to contribute \$458.5 million of the required funding. Tenant rent and other revenues are expected to reach \$45.9 million in 2009/10. This amount will increase over time as rents increase with inflation.

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