

housing matters

service plan

2010/11 – 2012/13

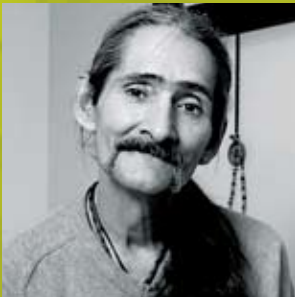


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This Service Plan, along with the following appendices, are located on BC Housing’s website at www.bchousing.org

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 2010/11 to 2012/13. In 2010/11 BC Housing's total budget will be \$884.8 million, the largest in our history, enabling us to serve over 95,000 households in greatest need in 200 communities across the province. It will enable us to move ahead with supportive housing developments for the homeless in partnership with local governments through Memorandums of Understanding and our *Provincial Homelessness Initiative*. As well, it will enable us to carry out new social housing initiatives including the *Seniors' Rental Housing* initiative that will provide much needed affordable rental housing for seniors and persons with disabilities, and the *Housing Renovation Partnership* that will mean the revitalization of over 100 social housing developments in need of renovation and retrofit throughout B.C. Through the *Women's Transition Housing and Supports Program* women and children fleeing violence will be provided access to safe and secure environments.

Over the next three years we will continue to build on successes in breaking the cycle of homelessness in our communities. Actions taken over the past several years to tackle homelessness are showing successful outcomes with 85 per cent of chronically homeless individuals housed through homeless outreach and emergency shelters remaining housed six months later. More supportive housing options, including the newly renovated government-owned single room occupancy hotels, are making a real difference in providing safe, secure and affordable housing for the homeless. Over the next three years we will complete 2,200 supportive housing units for the homeless in communities throughout the province. We will also continue exploring options to facilitate the creation of affordable rental and ownership housing through initiatives with non-profit and private sector partners to help address supply and affordability pressures in these sectors of the housing market.

In 2010/11 BC Housing will take on new responsibilities under the *Homeowner Protection Act* to provide consumer protection for new home buyers and foster continuous improvement in the quality of construction of new homes in British Columbia. This opportunity enhances BC Housing's involvement at the homeownership end of the housing continuum and builds on our role in meeting the provincial housing goals in *Housing Matters BC*. A new Homeowner Protection Branch has been created and our performance management framework augmented to ensure continued focus on consumer protection, effective builder licensing and home warranty insurance system, and continued momentum in working with industry and consumer organizations to enhance professionalism in the residential construction sector.

Successful programs and initiatives rely upon strong partnerships with non-profit housing providers, service providers, community organizations, industry, consumer and government partners. As the economic situation improves we will collaborate with our partners to leverage expertise and creativity to make the most of all available resources and opportunities. These partnerships and resulting innovations will ensure that we continue to make progress in meeting our strategic goals in the coming years.



Brenda Eaton
Chair



Shayne Ramsay
Chief Executive Officer

ABOUT THIS SERVICE PLAN

The 2010/11 – 2012/13 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, what is in the plan and how it has been reported.

All significant assumptions, policy decisions, and identified risks, as of February 2010 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.

The plan contains estimates and interpretive information that represent the best judgment of management. Also identified in this plan are any changes to mandate, direction, goals, strategies, measures or targets made since the September 2009 Service Plan Update was released, and any significant limitations in the reliability of the data.

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.

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
- Acquisition and renovation of single room occupancy hotels (SROs) and rental housing buildings
- The *Supportive Housing Registration Service* offers a single point of access to match clients with housing and appropriate supports in Vancouver's downtown area

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*, *Health Services* and *Priority Placement Program*
- Redevelopment of aging and under-utilized social housing sites
- Renovation and retrofit upgrades to existing social housing through the *Housing Renovation Partnership*
- Development of new affordable housing for seniors and persons with disabilities through the *Seniors' Rental Housing* initiative
- Administration of transition houses, safe homes and second stage housing for women and children fleeing violence

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

- Innovative affordable homeownership initiatives for low and moderate-income households

6

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

- Ensuring an effective system of licensing and new home warranty insurance under the *Homeowner Protection Act*

Descriptions of BC Housing programs can be found at www.bchousing.org.

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 (page 20). A chart highlighting BC Housing's key service areas can be found on page 12. 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.
- **Strengthening consumer protection for buyers of new homes** by licensing residential builders and building envelope renovators, administering owner-builder authorizations, overseeing the performance of the third-party home warranty insurance system underwritten by the private sector, and carrying out research and education designed to benefit the residential construction sector and consumers.

ENVIRONMENTAL SUSTAINABILITY

BC Housing's sustainability strategy called *livegreen: A Housing Sustainability Action Plan* sets out our 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. Our performance measure "Reduction in Greenhouse Gas Emissions" tracks our progress in bringing about environmental sustainability while carrying out our mission. The new *Housing Renovation Partnership* program, for example, will enable us to make a significant difference in our GHG emission reductions as we carry out renovations and retrofits of social housing developments throughout the province.

Who We Serve

GOVERNMENT-ASSISTED HOUSING FOR THOSE IN GREATEST NEED

In total, about 95,450 households in about 200 communities throughout British Columbia will be assisted through subsidized housing in 2010/11. This total includes some 800 housing providers – mostly non-profit societies and housing co-operatives – managing about 59,100 of these units and BC Housing managing 7,200 public housing units. Also included are about 29,200 households receiving financial assistance to make their rent more affordable in the private market.

The majority of British Columbians are housed successfully in the private housing market. However, there are households that are unable to find suitable housing in the private market. Households spending 50 per cent or more of their income on rent for adequate housing 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.¹



INTERIOR

Total number of households	269,100
Households spending > 50% of their income on rent	8,700
Households assisted through subsidized housing	13,660

FRASER

Total number of households	514,100
Households spending > 50% of their income on rent	18,200
Households assisted through subsidized housing	27,460

VANCOUVER COASTAL

Total number of households	419,400
Households spending > 50% of their income on rent	23,300
Households assisted through subsidized housing	33,270

VANCOUVER ISLAND

Total number of households	297,800
Households spending > 50% of their income on rent	12,100
Households assisted through subsidized housing	16,090

NORTH

Total number of households	100,300
Households spending > 50% of their income on rent	2,600
Households assisted through subsidized housing	4,970

¹ Total number of households and number of households spending more than 50 per cent of their income on rent is based on 2006 Census data produced by Statistics Canada. The number of households assisted through subsidized housing is BC Housing data from 2009.

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 concern for many communities throughout B.C. Some reports estimate the cost 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 are multi-faceted. They may be housing-related, such as affordability, availability or suitability, or 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

- The population of seniors will increase from 15 per cent of B.C.'s population in 2009 to 24 per cent in 2036, putting pressure on social housing. The age 80+ senior population will grow from four per cent in 2009 to seven 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 have more stable lives, and supportive housing allows them to live independently.

Aboriginal Individuals and Families

- Aboriginal people are disproportionately represented among those who are homeless.
- More than 22.3 per cent of off-reserve Aboriginal households are in core housing need compared to 14.2 per cent for non-Aboriginal households (Statistics Canada 2006).

Women and Children Fleeing Violence

- From 1999 to 2004, it is estimated that more than 100,000 women in B.C. were victims of spousal violence (Statistics Canada 2006).
- Women and children fleeing violent relationships require immediate access to safety, shelter, food, crisis intervention and social service 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 2006).
- Adding to this challenge is the extremely low vacancy rate in many areas.

CONSUMER PROTECTIONS FOR NEW HOME BUYERS

Through its new responsibilities under the *Homeowner Protection Act*, BC Housing now plays a role in strengthening consumer protection for buyers of new homes in British Columbia and helping bring about improvements in the quality of residential construction for the benefit of both consumers and the industry. In 2008/09 there were 5,400 licenses issued to residential builders (new and renewals), nearly 3,000 owner builder authorizations issued (single detached homes) and over 19,000 new homes enrolled in home warranty insurance for the benefit of the buyers.

BC Housing's Role in the Housing Continuum

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

The diagram below illustrates BC Housing's role within this continuum in 2010/11, including the portion that is government-assisted with differing levels of support services as well as the development of rental and homeownership opportunities for low and moderate income households. Through new responsibilities under the *Homeowner Protection Act*, BC Housing also plays an important role at the homeownership end of the housing continuum by licensing residential builders, administering owner builder authorizations, overseeing the third-party home warranty insurance system and carrying out research and education to improve the quality of construction of new homes.



How We Serve British Columbians

Every aspect of BC Housing's business is centered 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

Our policy partners within the Ministry of Housing and Social Development are 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.

INDUSTRY PARTNERS

BC Housing works with a wide range of industry partners in its role of strengthening consumer protection for buyers of new homes, including Licensed Residential Builders and Building Envelope Renovators, owner builders, warranty providers, insurance brokers acting as agents for warranty providers, consumer and industry associations, homeowners, homebuyers, other regulatory agencies, educational organizations and building officials. A joint service delivery model involving other partners minimizes program costs. The licensing and home warranty insurance system is delivered in partnership with private-sector insurance companies approved by the Financial Institutions Commission to provide home warranty insurance in British Columbia.

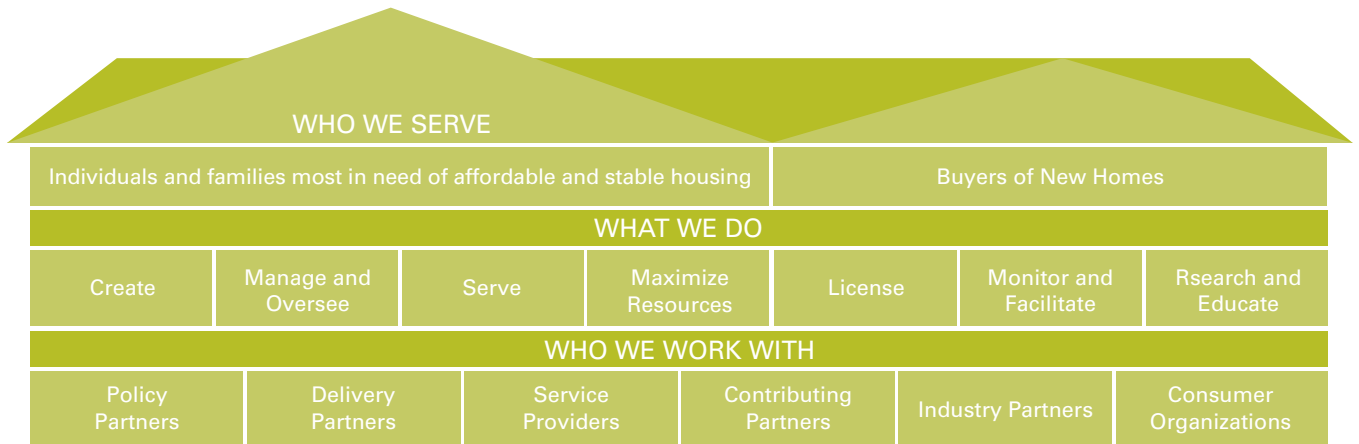
CONTRIBUTING PARTNERS

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 development construction costs and offering reduced property taxes, as well as making land available for new housing. The federal government can contribute capital funding to support new and existing social housing. 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.

Research and education activities under the *Homeowner Protection Act* continue to be funded primarily by builder license fees and Owner Builder Authorizations. However, BC Housing works with key industry groups and other levels of government to lever and attract additional funding for cost-effective research and education initiatives in the residential construction sector.

Key Relationships

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



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.

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.

1

Audit and Risk Management Committee

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.

2

Corporate Governance Committee

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.

3

Human Resources Committee

provides a focus on senior management human resource and compensation issues.

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:

- To act honestly, in good faith and in the best interests of BC Housing;
- To exercise care, skill and diligence in decision making; and,
- To 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.

Shareholder's Letter of Expectations

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* 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, www.bchousing.org. Through our business and corporate planning processes we monitor our progress in addressing actions identified in the letter.

SHAREHOLDER'S LETTER OF EXPECTATIONS (EXCERPT)

...within the 2009/10 budget confirmed for the Corporation, and the 2010/11 and 2011/12 budget targets and Ministry transfers as set out in the Corporation's 2009/10 to 2011/12 Service Plan Update, ensure effective planning for, and management and delivery of, housing programs and services by:

- managing the emergency shelter program and continue the shift to making shelters gateways to stable housing and support services;
- finding innovative ways to deliver on its mandate and providing support for innovative projects initiated by others;
- managing comprehensive re-development plans for appropriate subsidized housing sites to further the objectives of the provincial housing strategy;
- 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;
- 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;
- incorporating environmentally responsible construction and management techniques into new builds and existing developments;
- working in partnership with provincial health authorities, the non-profit and private sectors, local governments and others to deliver the *Independent Living BC* program for seniors;
- working with other provincial ministries, health authorities, the non-profit and private sectors, local governments and others to establish long-term housing and support services to respond to the needs of homeless/at risk individuals through the *Provincial Homelessness Initiative*, including supportive housing through Memoranda of Understanding agreements with local governments;
- working with the Ministry of Housing and Social Development to enhance services for income assistance clients;
- creating affordable housing for seniors and people with disabilities through the *Seniors' Rental Housing* initiative;
- renovating and retrofitting social housing in greatest need of repair throughout the province through the *Housing Renovation Partnership* initiative;
- 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 *Seniors' Rental Housing* initiative and the *Seniors' Supportive Housing program*;
- administering the *Housing Endowment Fund*;
- connecting homeless people to income assistance, stable housing and community-based health services through the *Homeless Outreach Program* and the *Aboriginal Homeless Outreach Program*;
- providing a continuum of housing options for women and their dependent children fleeing violence including transition houses, safe homes, second stage housing, and strengthening linkages with service providers;
- 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*;
- identifying and implementing healthy living policies, programs and client service objectives that contribute meaningfully to ActNow BC goals; and
- working with the Ministry of Housing and Social Development to effect the transfer of the Residential Builder Regulatory System to BC Housing.

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, 2009, PRHC held properties with an original cost of \$740 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.

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.

EXTERNAL FACTORS	CHALLENGES	OPPORTUNITIES AND STRATEGIC RESPONSES
Strength of the Economic Recovery	Higher incidence of housing need and greater demand on programs. Fluctuating level of home construction activity affecting revenue collected from new and renewal builder licensing fees.	BC Housing will continue to leverage resources through partnerships, strive to deliver services cost effectively and identify new business opportunities along the housing continuum. Adjustments to program delivery related to our responsibilities under the <i>Homeowner Protection Act</i> would be made as required, for example, higher than anticipated revenues increases our ability to deliver research and education programs for residential construction industry and consumers.
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.	Strategic acquisition of existing multi-unit buildings across the province to preserve and upgrade affordable rental housing stock for people at risk of homelessness. This includes carrying out health and life-safety renovations for acquired single room occupancy hotels, apartment buildings and townhouses. Create new affordable rental housing for seniors and persons with disabilities in partnership with government and community partners through the <i>Seniors’ Rental Housing</i> initiative. Partner with non-profit housing providers to explore options for the creation of affordable rental and homeownership housing.
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.	Continue to support measures that have been put into place to address homelessness: 24/7 services at emergency shelters, homeless outreach and emergency rent supplements, and development of new supportive housing units through MOU agreements with local governments. Work with government and community partners to ensure integration of services for the homeless through, for example, the Homelessness Intervention Project. Collaborate with community-based organizations to leverage additional resources and expertise in addressing homelessness.

Planning Context and Key Strategic Issues *(continued)*

EXTERNAL FACTORS	CHALLENGES	OPPORTUNITIES AND STRATEGIC RESPONSES
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.
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> , British Columbia’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. Initiatives are both completed and 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.	We have created the 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. Funding under the <i>Housing Renovation Partnership</i> will enable us to revitalize many social housing developments in need of renovation and retrofit. These improvements enable us and our non-profit partners to better meet the needs of tenants, e.g., to accommodate support services, as well as to improve energy efficiency.
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. 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 tenants 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.	Launch the second generation of the <i>People Strategy</i> 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.

EXTERNAL FACTORS	CHALLENGES	OPPORTUNITIES AND STRATEGIC RESPONSES
Enhanced Professionalism in the Residential Construction Sector	A key challenge is to introduce minimum qualifications for licensed builders under the <i>Homeowner Protection Act</i> in a way that achieves the desired result of increasing professionalism without disruption of the vast majority of existing professionals who are performing well above minimum standard.	An industry task group was formed by the former Homeowner Protection Office with the task of developing recommendations for a new system of qualifications for licenses which includes core competencies for different category of licensees, educational benchmarks, training programs and professional development requirements. This work will remain a priority in the coming year.
Enhanced Federal-Provincial Relationship	Participation from the federal government is needed to respond more effectively to growing demand for affordable housing.	Funding partnerships with the federal government have expanded to include significant capital investments in social housing in B.C. including renovation and retrofit of existing housing as well as the construction of new affordable rental housing for seniors and persons with disabilities.
Aboriginal Capacity Building	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.	BC Housing is working closely with the Aboriginal Housing Management Association (AHMA) to share technical expertise and knowledge that will lead to the successful transition and management of the off-reserve federal Aboriginal housing portfolio. This Aboriginal self-management model for social housing is the first of its kind in Canada.
Environmental Sustainability	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.	BC Housing has initiated <i>livegreen: A Housing Sustainability Action Plan</i> that is focused on sustainability improvements in new and existing social housing as well as our operations. BC Housing has aligned its targets for energy and greenhouse gas emission reduction with those of the Province and is a recognized BC Hydro Power Smart Partner.
Public-Private Partnerships (P3)	Public-private partnerships can respond to local housing challenges and create additional housing units without the need for ongoing operating subsidies.	BC Housing has entered into a number of innovative partnerships with municipalities, non-profit societies, the private sector and other housing partners. There are further opportunities for BC Housing to work with communities to expedite projects.

Planning Context and Key Strategic Issues *(continued)*

EXTERNAL FACTORS	CHALLENGES	OPPORTUNITIES AND STRATEGIC RESPONSES
<p>Effective Management Strategies</p>	<p>BC Housing and housing providers share a common interest in establishing effective program management strategies that strive for innovation and harmonization.</p>	<p>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.</p>
<p>Non-profit Housing Sector Sustainability</p>	<p>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 are provided by the non-profit and co-operative housing sector. Almost 50 per cent of these providers are responsible for single housing developments.</p>	<p>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.</p>

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"> ▪ A one per cent increase above the budgeted mortgage rate would increase housing subsidies by about \$1.6 million in 2010/11 and up to \$4.7 million in 12/13 	<ul style="list-style-type: none"> ▪ Bulk tendering of mortgages ▪ Laddered renewal dates with less than 20 per cent of portfolio renewed in a year ▪ Staggered mortgage terms ▪ Locked-in longer mortgage terms at lower interest rates ▪ Low-interest construction financing to reduce new housing capital costs, thereby reducing ongoing subsidies
Investment returns fluctuations	<ul style="list-style-type: none"> ▪ Volatility in the global financial markets impacts the rate of return on investments 	<ul style="list-style-type: none"> ▪ Engage sound investment managers that balance risk and return over the long-term ▪ Diversify the portfolio with a strategic asset mix of various financial instruments such as equities and bonds ▪ Review and rebalance the strategic asset mix as required
Capital asset repairs	<ul style="list-style-type: none"> ▪ Aging housing buildings require significant repairs to maintain health, safety and livability 	<ul style="list-style-type: none"> ▪ Redevelopment; proactive and preventative maintenance programs prioritizing repairs ▪ Implementation of sustainable, comprehensive strategies that yield lower future maintenance costs ▪ Long-term repair strategies including detailed examinations of at-risk buildings ▪ Implementation of design and construction standards incorporating recommended building techniques ▪ Rigorous maintenance programs for all new and repaired projects ▪ Pre-qualified skilled and specialized contractors
Higher heating costs	<ul style="list-style-type: none"> ▪ A \$1 increase per gigajoule in the price of natural gas would increase the budgeted estimates by approximately \$1.9 million in 2010/11 	<ul style="list-style-type: none"> ▪ Development of a retrofit strategy ▪ Implementation and installation of energy efficient equipment resulting in reduced energy consumption
Higher inflation	<ul style="list-style-type: none"> ▪ A one per cent increase above the budgeted consumer price index would increase expenses by \$1.3 million in 2010/11 	<ul style="list-style-type: none"> ▪ Bulk purchasing for insurance, natural gas and appliances ▪ Best operational and management practices by housing providers

Strategic Directions

Long-term

BC Housing has established six strategic directions that will guide our activities and strategies over the next five years and beyond, in keeping with our mandate and vision. These strategic directions are reviewed on an annual basis, and will integrate BC Housing's new responsibilities under the *Homeowner Protection Act* in the 2011/12 Service Plan.

- **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 homeownership end of the housing continuum.
- **People Strategy** – ensure that our employees' skills, talents and knowledge are aligned to deliver on our corporate goals.

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.
- **Help bring about improvements to the quality of residential construction and strengthen consumer protections** – deliver an effective licensing and home warranty insurance system to ensure strong consumer protection for buyers of new homes.
- **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 2010/11 to 2012/13. Our Performance Measurement Framework (PMF) provides strong linkages with government's key strategies as set out in *Housing Matters BC*. We continue to focus on ensuring alignment with our long-term strategies and shorter term goals and objectives, and work to strengthen our reporting and measurement framework.

A significant change to the PMF this year is the addition of a new goal, objectives and performance measures related to BC Housing's new responsibilities under the *Homeowner Protection Act*. The added goal, objectives and measures are based on the essential elements of the former Homeowner Protection Office's strategic framework as presented in its most recent Service Plan Update (August 2009), reflecting key areas of performance. An overview chart of our new PMF, including the new goal, objectives and measures, is shown on pages 20-21. This summary chart shows performance targets along with historical results.

The other goals, objectives and performance measures remain largely unchanged in this Service Plan compared to last year's plan. One performance measure, "percentage of nights where shelters are at full occupancy", has been discontinued and will no longer be reported (explained in Appendix A). This change has been made as the recently added measure "percentage of homeless individuals accessing housing who remain housed six months after placement" is a better indicator of performance related to breaking the cycle of homelessness.

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
- Number of existing units adapted to higher priority needs
- Percentage of clients reporting satisfaction with the quality and safety of their housing
- Ratio of replacement reserve contributions to actual expenditures
- Percentage of homeless individuals accessing housing who remain housed six months after placement
- Percentage of homeowners satisfied with home warranty insurance on their new home (compared to the 2009/10 Service Plan Update of the former Homeowner Protection Office)

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 is contained in the Service Plan Appendices:

- Appendix A – Changes in Reporting
- Appendix B – Disclosure of Key Reporting Judgments (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, look for "Publications" under the "About BC Housing" tab.

BC Housing Performance Measurement Framework 2010/11 to 2012/13

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
Goal 2: Protect and manage existing housing for the long term	Maintain the quality of existing assets	Number of existing units adapted to higher priority needs
	Adequate provisions for future requirements	Percentage of clients reporting satisfaction with the quality and safety of their housing
Goal 3: Provide access to appropriate housing and services for vulnerable British Columbians	Ease of access to housing	Percentage of social housing providers meeting financial and operational standards
	Available housing targeted to vulnerable citizens	Ratio of replacement reserve contributions to actual expenditures
Goal 4: Help bring about improvements to the quality of residential construction and strengthen consumer protections	Compliance with the <i>Homeowner Protection Act</i>	Percentage of new applicants reporting satisfaction with the process
	Informed and protected consumers	Percentage of homeless individuals accessing housing who remain housed six months after placement
Goal 5: Organizational excellence	Financial and operating success	Percentage of clients belonging to priority groups in subsidized housing
	Environmental leadership in the housing sector	Builders rating of the effectiveness of compliance efforts to monitor and enforce licensing and home warranty insurance requirements and the owner builder exemption ⁶
	High level of employee engagement	Homeowner satisfaction with home warranty insurance on their new home
		Controllable administration costs as percentage of program delivery costs
		Per-square-foot construction costs
		Percentage reduction in greenhouse gas emissions
		Employee engagement index

07/08 Results	08/09 Results	09/10 Target	10/11 Target	11/12 Target	12/13 Target
2,437	1,794	663	1,481	1,513	682
7,847	9,007	4,700	5,000	5,000	4,000
674	1,212	850	950	800	800
78%	77%	78%	74% ²	75%	76%
93%	93%	90%	90%	90%	90%
1.40:1	1.15:1	1.12	1.04 ³	1.04	1.02
90%	87%	90%	90%	90%	90%
New Measure 2008/09	87% ⁴	60% ⁵	85%	85%	85%
79%	82%	82%	83%	84%	84%
71% felt that compliance efforts were very or somewhat effective	Not surveyed	80%	Not surveyed	≥82%	Not surveyed
Not surveyed	81% satisfaction	Not surveyed	85%	Not surveyed	88%
7.5%	8.2%	10% or less	10% or less	10% or less	10% or less
Within 4.73% of private sector benchmark	3.95%	Within 5%	Within 5%	Within 5%	Within 5%
New Measure 2008/09	6%	10% from 2005/06 levels	15% from 2005/06 levels	20% from 2005/06 levels	25% from 2005/06 levels
Top quartile	Top quartile	Top quartile	Top quartile	Top quartile	Top quartile

² The tenant satisfaction targets are lower than previous years due to: i) a revised survey methodology, and ii) our emphasis on providing housing to more vulnerable clients and the impact of this on tenant satisfaction.

³ The forecast and targets reflect the integration of the older federal social housing portfolio that has experienced higher than anticipated expenditures due to its physical condition.

⁴ Based on partial-year data given the measure's six month reporting time period and commencement of data collection by service providers as of April 1, 2008.

⁵ The target for 09/10 was based on preliminary research in other jurisdictions (prior to availability of baseline data) while future targets reflect baseline data and expected performance.

⁶ This measure, along with the next measure "homeowner satisfaction with home warranty insurance on new homes, was established and tracked over time by the former Homeowner Protection Office. The results and targets are based on two separate third-party surveys (Licensed Residential Builders and owners of homes with warranty insurance) on alternating years.

Goal 1 – Respond to Gaps in the Housing Continuum

One of our key goals is to respond to gaps along the housing continuum and expand the range of housing choices and supports for British Columbians in greatest need. We do this by creating new subsidized and supportive housing units through our housing programs and initiatives, providing direct cash assistance to low-income seniors and families renting in the private market, and adapting existing social housing to target those in greatest need. Each of these strategies is reliant on establishing successful partnerships with non-profit housing providers, government partners and community organizations.

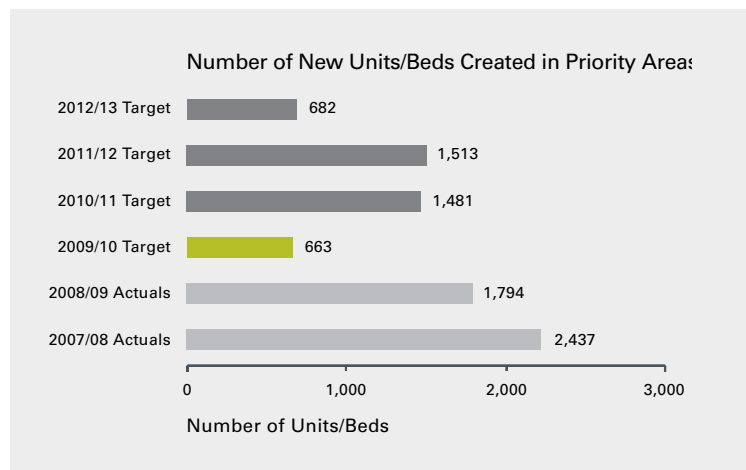
Objective: Increasing Housing Options

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 housing continuum. The targets are based on the completion of units under existing funding programs, such as the *Independent Living BC*, *Provincial Homelessness Initiative*, *Seniors’ Rental Housing* initiative, Memorandums of Understanding (MOU) negotiated with local governments, *Community Partnership Initiatives* and *Aboriginal Housing Initiative*. These 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 living with mental illness, addictions and other challenges.

Targets are based on the number of new units (or short-stay emergency beds in some cases) that can be created under existing funding programs.

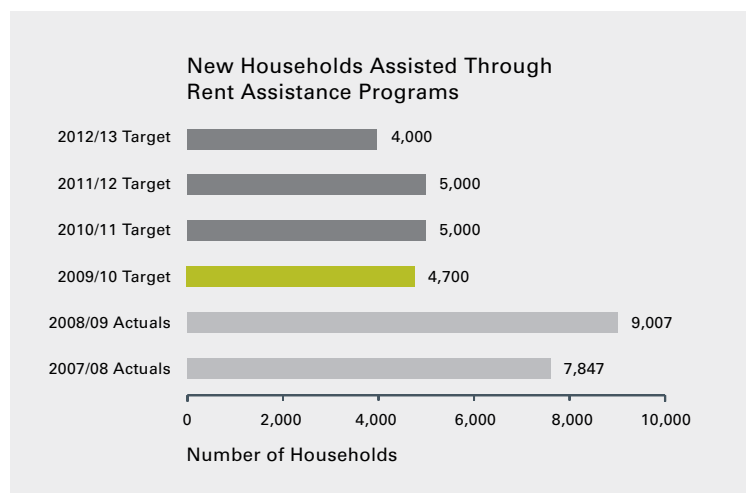


MEASURE: NUMBER OF NEW HOUSEHOLDS ASSISTED THROUGH RENT ASSISTANCE PROGRAMS

Importance of the Measure

This measure looks at the success of BC Housing’s rent assistance programs, *Shelter Aid For Elderly Renters* 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 choice.

It is anticipated that the number of new applicants will increase by 5,000 in 2010/11 due to expected strong demand for the programs as more people become eligible for assistance. It is expected that over the next few years take-up for the *Rental Assistance Program* will remain strong.



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

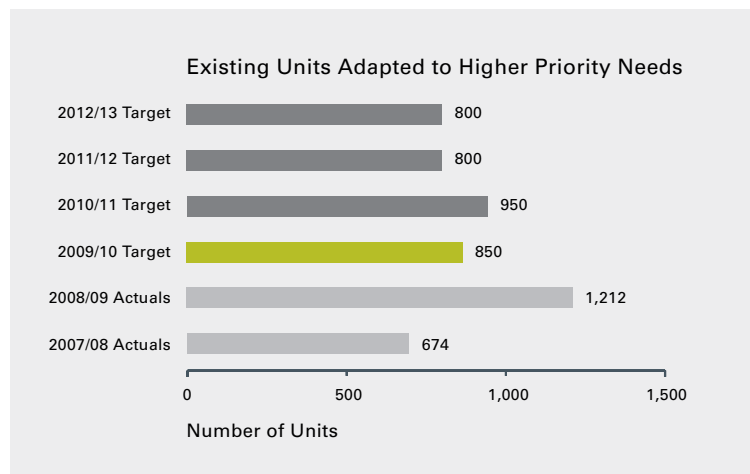
This measure looks at BC Housing's performance in ensuring that those most in need receive priority for housing assistance through the conversion, adaptation or re-targeting of existing social housing units. Partnerships, including those with local health authorities, government ministries, local agencies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

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 other partnership initiatives.

Future Directions

Creating new units in partnership with housing providers, community organizations and government partners will continue to be a major priority as we move forward with new initiatives to build rental housing for those in greatest need including supportive housing for the homeless, affordable housing for Aboriginal people and seniors and persons with disabilities. Of particular importance over the next two years will be the development of new supportive housing for the homeless as identified through Memorandums of Understanding with local governments across the province. We are also exploring opportunities to create more housing options at the affordable rental and ownership end of the housing continuum.

We will continue to adapt existing housing to meet changing needs, and to the extent possible, establishing partnerships with community groups and service providers to increase access to social housing and support for people who are in greatest need.



Goal 2 – Protect and Manage Existing Housing for the Long-term

The existing portfolio of social housing represents home for approximately 66,300 individuals and families across the province. This housing contributes to the quality of life for residents and to the social fabric of communities. We work in partnership with housing providers to ensure that the housing is well managed and maintained, and that adequate provisions are in place for future requirements as buildings age.

Our performance in meeting this goal is measured from a variety of perspectives, including tenant satisfaction, successes of social housing providers in meeting financial and operational targets, and the level of funding set aside for future improvements to the housing stock.

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 are 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. Future targets are slightly lower than historical results reflecting several factors: a change in the survey methodology (see Appendix B for details), and our emphasis on providing housing to more vulnerable clients and the influence that this has on tenant satisfaction in buildings. Strategies are being put into place to provide additional supports to tenants and to help address issues that are identified with the quality and safety of their housing.



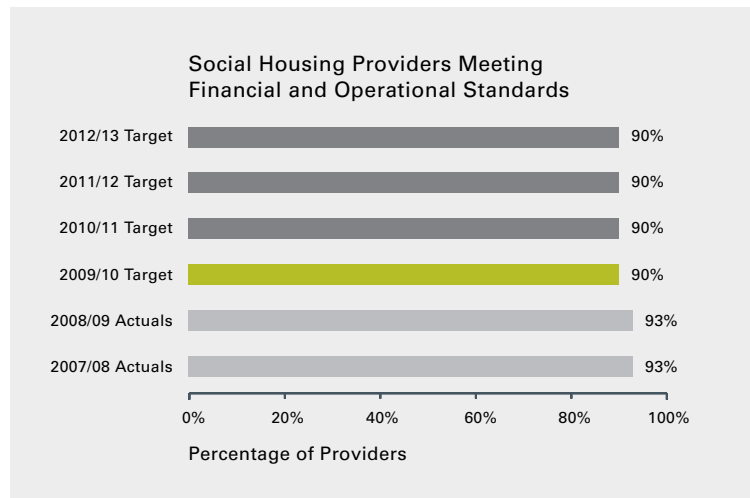
Objective: Maintain the Quality of the Existing Assets *(continued)*

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 1.04:1 for 2010/11 means that for every \$1.04 contributed to the Replacement Reserve, \$1.00 will be spent on maintenance.

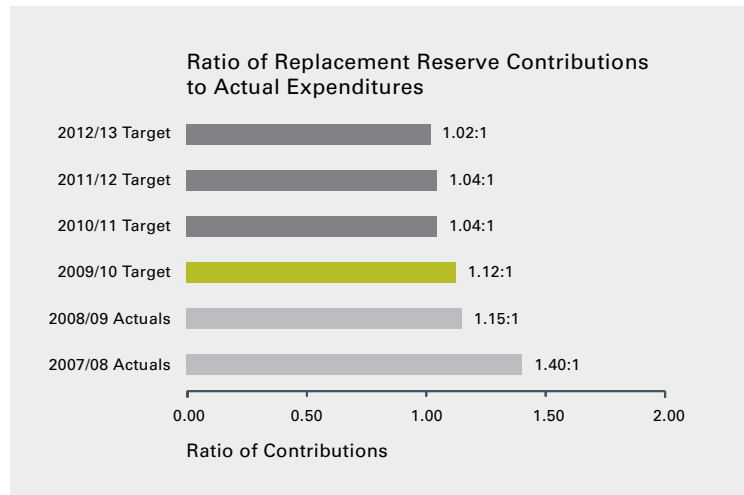
Future targets for this measure have been adjusted downward compared to past results. The lower ratio is in part due to the integration of the older federal social housing portfolio that has experienced higher than anticipated expenditures due to its physical condition. However, the targeted ratio is appropriate for the age and quality of the non-profit portfolio.

Future Directions

Over the next two years BC Housing, along with our federal government and non-profit partners, will be implementing revitalization projects at over 100 developments in need of repair and renovation in communities throughout the province under the *Housing Renovation Partnership* initiative, thereby extending the life of these buildings for years to come.

We will also be placing greater emphasis on creating long-term strategies for our housing assets, bringing a stronger focus and greater capacity to plan for the maintenance, capital improvement, redevelopment and environmental sustainability of the public housing stock. It is anticipated that this focus will extend to the non-profit sector as we identify partnership opportunities to share capital asset management best practices with housing providers.

Community development and building improvement strategies are being put into place at our public housing buildings to ensure that tenant satisfaction with their housing remains high, particularly in view of the greater levels of support needs among tenants.



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

This goal focuses on working to ensure that low-income individuals and families in greatest need have access to the housing and support services they require. Many face significant barriers in accessing housing in the private market as a 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 shelter and transition houses to long-term supportive housing, plays a critical role in providing stability and needed services. Given the urgency of need, it is important to ensure that these limited housing resources are used as effectively as possible.

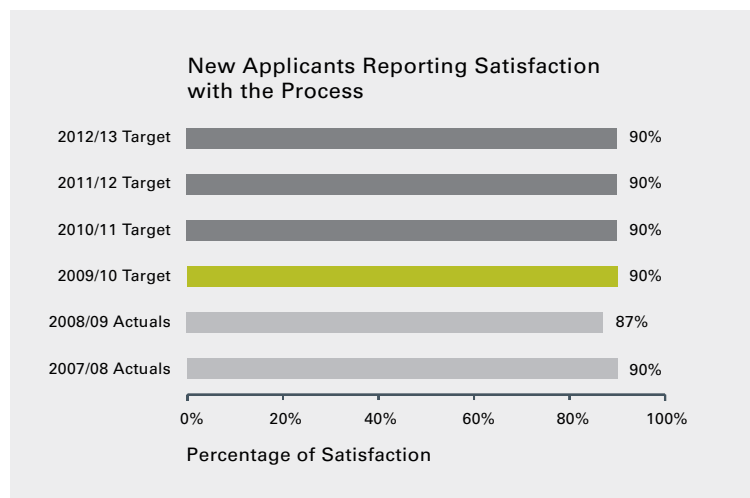
Objective: Ease of Access to Housing

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 they receive 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. 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.



Goal 3 (continued)

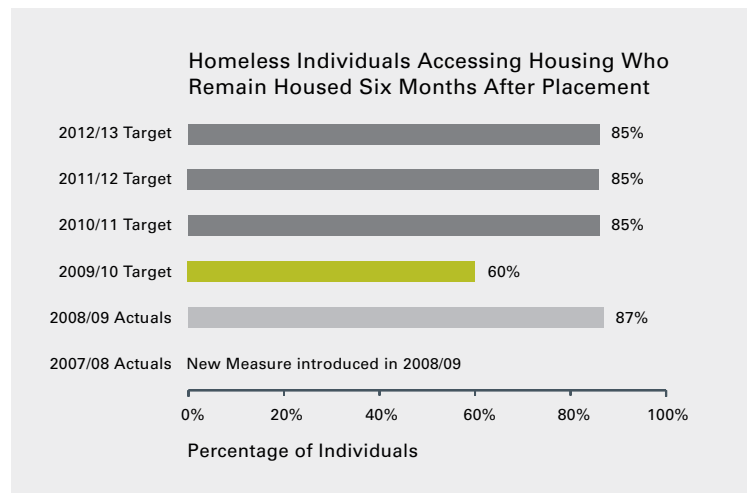
Objective: Ease of Access to Housing (continued)

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 programs and initiatives that have been put into place to break the cycle of homelessness.

This measure takes into account the number of homeless people that become housed in stable environments with appropriate supports in place, aimed at preventing them from returning to the street. The initial targets were based on preliminary research in other jurisdictions. We now have a full-year of baseline data with which to establish future targets. The results for 08/09 were based on partial year data given the measure's six month reporting time period and the commencement of data collection by service providers as of April 1, 2008.

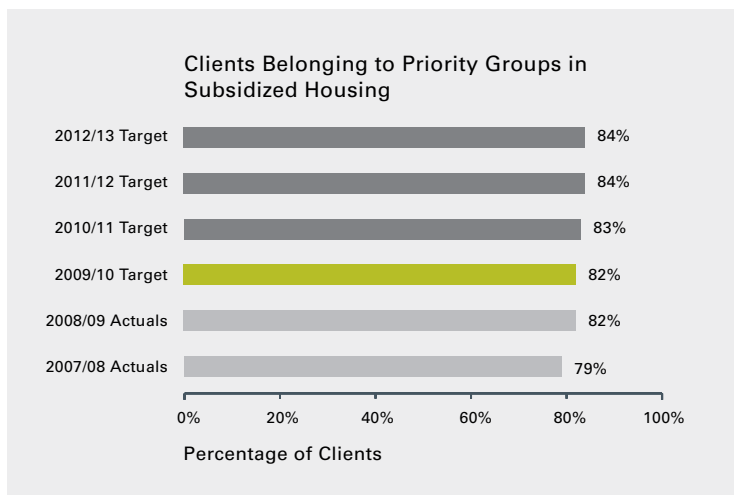


Objective: Available Housing Targeted to those Most in Need

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

Importance of the Measure

This measure allows us to track 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 social housing households that fall within one of the designated priority groups, as well as the anticipated number of new and acquired housing units, all of which are targeted to priority groups, coming on stream during the service planning period.



Future Directions

Ensuring that those in greatest need have access to housing and support services will continue to be a priority. We will build on existing and create new partnerships with housing providers and community organizations to deliver outreach, shelter and supportive housing. With our government and community partners we will also focus on better integrating programs and services that play a critical role in moving people from the street to stable housing, and monitoring and reporting on outcomes. Our participation in the Homelessness Intervention Project and establishment of the *Supportive Housing Registration Service* are examples of strong government and community partnerships leading to positive outcomes for the homeless.

Following the transfer of the *Women's Transition Housing and Supports Program* and related to services to BC Housing in 2009/10, we will be working collaboratively with our sector organization partners and service providers to develop a program framework and monitoring tools with the aim of strengthening links to the continuum of housing for women and children fleeing violence.

We will also continue to develop strategies for ensuring that individuals and families living in the public housing stock have access to the range of community supports they need to have successful and stable tenancies.

Goal 4 – Help bring about improvements in the Quality of Residential Construction and Strengthen Consumer Protections

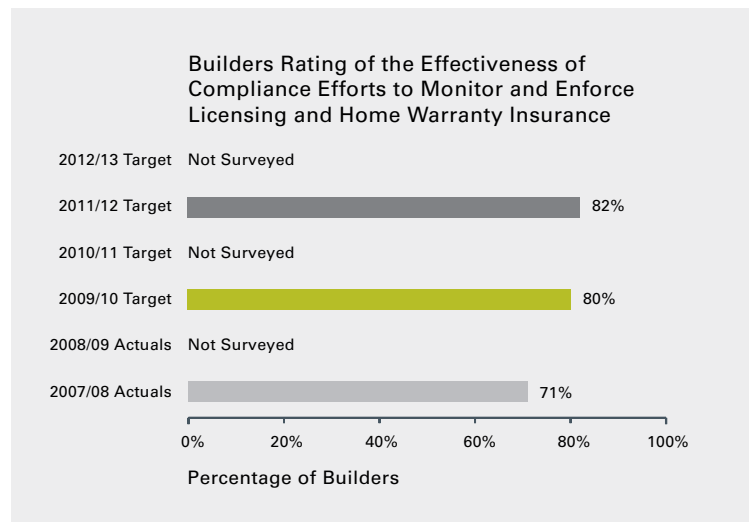
Under the *Homeowner Protection Act* a wide range of activities are carried out by BC Housing, in partnership with the industry and consumer organizations, to provide consumer protection for buyers of new homes and ensure continuous improvements in the quality of residential construction. This strategic direction will enable us to generate greater value through strengthening consumer confidence and supporting a thriving residential construction sector in British Columbia.

Objective: Compliance with the *Homeowner Protection Act*

MEASURE: BUILDERS RATING OF THE EFFECTIVENESS OF COMPLIANCE EFFORTS TO MONITOR AND ENFORCE LICENSING AND HOME WARRANTY INSURANCE REQUIREMENTS AND THE OWNER BUILDER EXEMPTION

Importance of the Measure

This measure is an indicator of the overall health of the builder licensing, home warranty insurance and owner-builder exemption system whereby compliance issues are dealt with quickly and effectively. This assessment is best done by industry participants (builders) who operate their businesses within the regulatory framework established by the *Homeowner Protection Act*. The target is based on past trends and projects further improvements in builders rating of compliance efforts. This measure was established and tracked by the former Homeowner Protection Office.



Objective: Informed and Protected Consumers

MEASURE: HOMEOWNER SATISFACTION WITH HOME WARRANTY INSURANCE ON THEIR NEW HOME

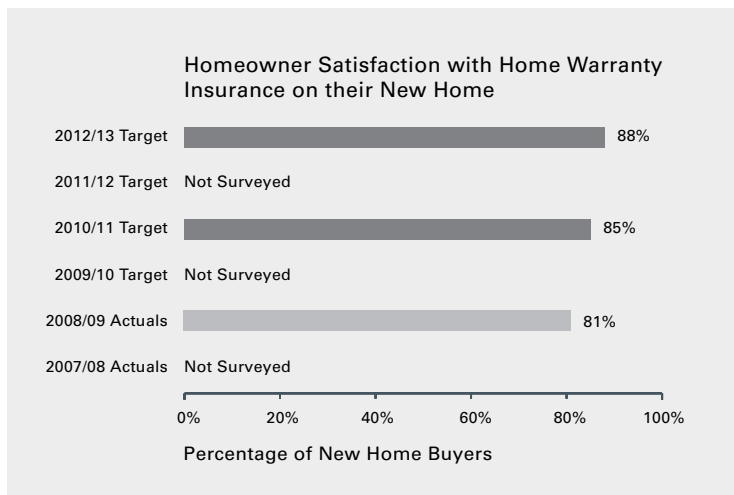
Importance of the Measure

Buying a new home can be one of the largest investments that an individual or family will make in their lifetime. It also provides a strong sense of stability and security. This measure tracks homeowner satisfaction with the protection provided by home warranty insurance. Higher levels of satisfaction are supported by consumers' understanding of the home warranty insurance product (including knowledge of their obligations related to warranty insurance), an informed home-buying process, the quality of construction of their home and the extent to which a defect, if it occurs, is adequately addressed and resolved.

Targets are based on past trends and reflect improved performance in 2010/11. This measure was established and tracked by the former Homeowner Protection Office.

Future Directions

Professionalization of the residential construction sector will continue to be a priority moving forward through a collaborative process with industry and consumer representatives to "raise the bar" in the industry. We will also promote new and existing products and related education initiatives for consumers, specifically access to the *New Home Registry*, consumer guides on buying a home and the home warranty insurance system, and maintenance bulletins for owners of new homes. We will continue to support and disseminate research and education initiatives relative to the continuous improvement of residential construction in B.C., and facilitate the use of this research in the development and application of best practices and standards. Research and education programs will focus on the integration of new building technologies that support quality and cost-effective residential construction.



Goal 5 – 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. We continue to identify organizational and operational efficiencies, and ensure that appropriate structures and processes are in place to control costs and manage risks. Our *People Strategy* supports organizational excellence by building on the skills, energy, talent and passion of the staff who work at BC Housing.

The goal of organizational excellence also includes our 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.

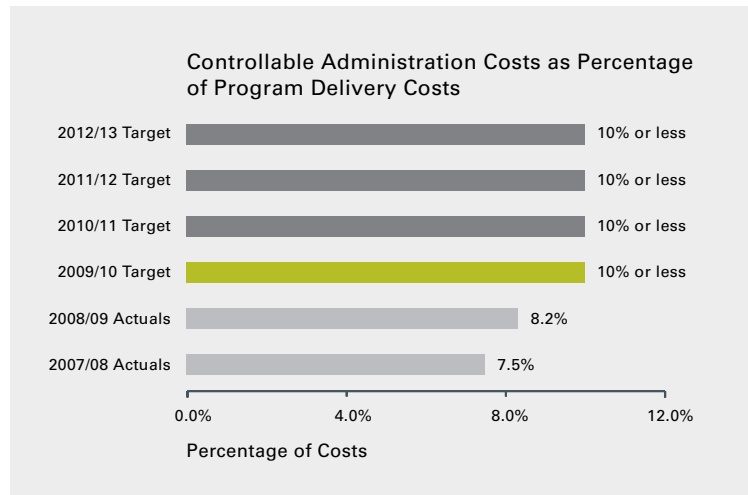
Objective: Financial and Operating Success

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 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 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. Cost pressures, such as the cost of materials and availability of skilled labour, are monitored on an ongoing basis.

2012/13 Target	Within ±5% of the private sector benchmark
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 Actuals	Within 3.95% of the private sector benchmark
2007/08 Actuals	Within 4.73% of the private sector benchmark

Objective: Environmental Leadership in the Housing Sector

MEASURE: PERCENT REDUCTION IN GREENHOUSE GAS EMISSIONS

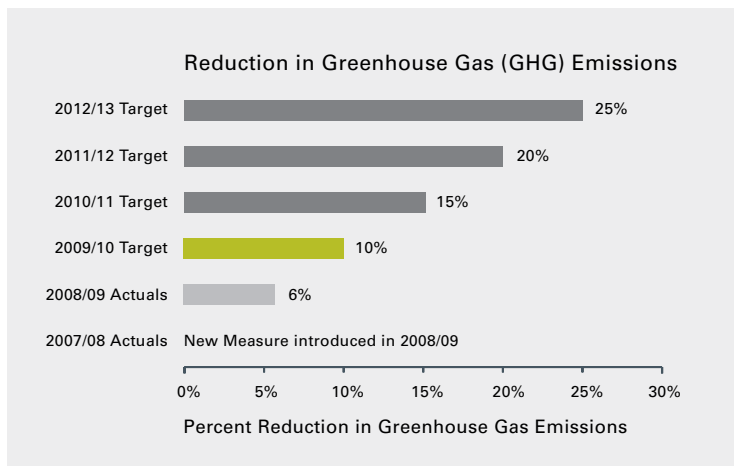
Importance of the Measure

This measure tracks BC Housing's progress in reducing greenhouse gas (GHG) emissions. 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, in keeping with the *Greenhouse Gas Reductions Target Act*.

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 the methodology prescribed by the Province to calculate GHG emissions from energy use data and for purchasing carbon emission credits.



Goal 5 (continued)

Objective: High Level of Employee Engagement

MEASURE: EMPLOYEE ENGAGEMENT INDEX

Importance of the Measure

BC Housing's employees play a critical role in 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	
2012/13 Target	Top quartile of benchmark employers
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 Actuals	Top quartile of benchmark employers
2007/08 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 helps us to be a responsive organization and effectively deliver on our core business areas and key goals in a cost effective manner.

Our continued focus on the multi-year *People Strategy* is a critical element in moving forward, in recruiting, retaining and engaging our employees. Our *livegreen: A Housing Sustainability Action Plan* demonstrates our vision of becoming a leader in environmental sustainability in the social housing sector.

Financial Overview

Summary Financial Outlook

The following table reflects the financial projections for the planning period including funding contributions from other partners.

SUMMARY OF FINANCIAL RESULTS AND BUDGET PROJECTIONS – 2004/05 TO 2012/13

(in thousands of dollars)

	2004/05 ACTUAL	2005/06 ACTUAL	2006/07 ACTUAL	2007/08 ACTUAL	2008/09 ACTUAL	2009/10 FORECAST	2010/11 FORECAST	2011/12 FORECAST	2012/13 FORECAST
Revenues									
Provincial Share*	157,831	200,274	318,644	351,690	429,457	391,496	562,925	417,319	361,310
Federal Share	90,237	102,904	135,852	141,270	142,461	168,849	272,576	155,098	137,013
Other**	35,703	39,944	43,044	46,802	54,730	63,169	49,321	50,482	51,821
Total Revenues	283,771	343,122	497,540	539,762	626,648	623,514	884,822	622,899	550,144
Expenditures									
Housing Subsidies	156,544	180,621	329,479	337,133	380,981	390,297	583,846	394,823	353,237
Rent Assistance	17,308	23,144	33,142	45,517	64,022	70,980	72,537	72,590	72,590
Building Repairs and Maintenance	48,175	71,491	59,044	68,804	60,629	61,357	114,049	42,798	14,430
Building Operating Costs	32,963	32,684	36,423	47,862	55,772	51,565	56,260	54,699	53,058
Other Costs	28,714	35,114	39,346	40,313	65,153	49,315	58,130	57,989	56,829
Total Expenditures	283,704	343,054	497,433	539,629	626,557	623,514	884,822	622,899	550,144
Excess of revenue over expenditures	67	68	107	133	91	-	-	-	-
Net Assets	1,078	1,143	1,249	1,382	1,473	1,473	1,473	1,473	1,473

* In 2010/11 this includes funding of \$551.7 million provided directly to BC Housing by the Ministry of Housing and Social Development, plus \$11.2 million provincial funding through other partnering ministries.

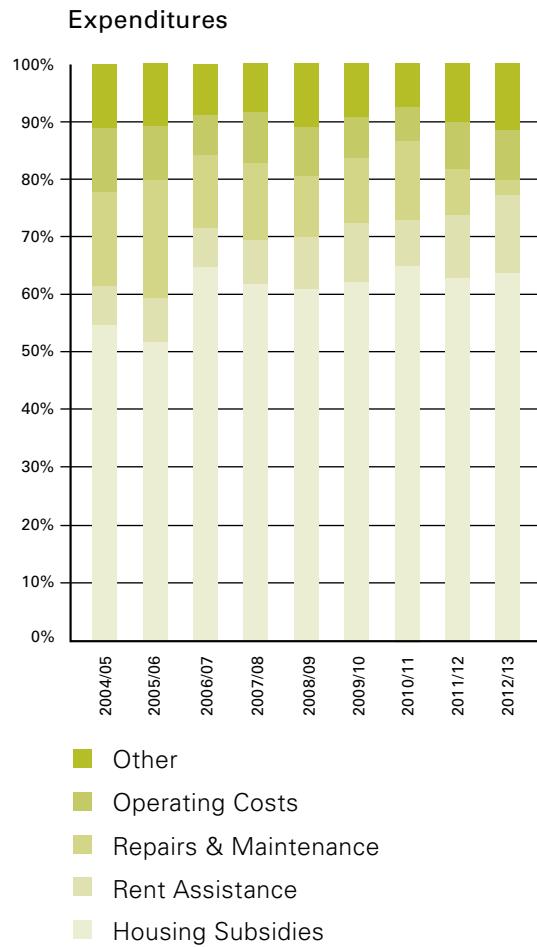
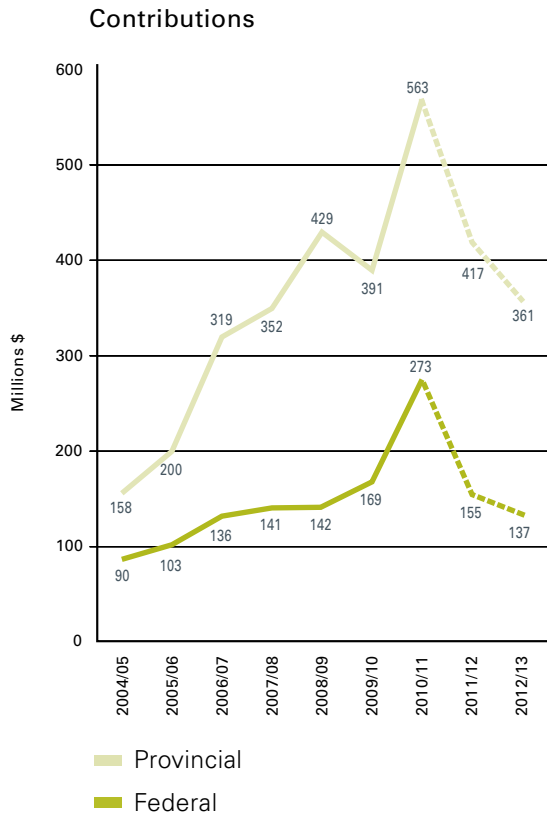
** This amount includes tenant rent and revenues from other sources including builder licensing fees.

In 2008/09 BC Housing's actual provincial contribution totaled \$429.5 million. The 2009/10 fiscal year saw a budgeted reduction of \$118 million through the ending of one-time grants such as the housing trust and single room occupancy hotel purchases; an increase of \$53.3 million in provincial infrastructure grants (MOUs, renovations and new construction for seniors); an increase of \$15.9 million through the transfer of the *Women's Transition Housing and Supports Program* to BC Housing (half year's funding); an increase of \$2.0 million for Homeless Emergency Action Team (HEAT) shelters and an increase of \$8.8 million for existing programs. In total, these changes caused a net decrease of nine per cent (\$38.0 million) for the 2009/10 budget.

In 2010/11 BC Housing's total budget will increase to over \$800 million, a 44 per cent increase from the 09/10 current forecast. The budget highlights are:

- Capital funding to increase the supply of housing for those at risk of homelessness under the Memoranda of Understanding with municipalities and the Vancouver Olympic Committee (VANOC) will add \$125.5 million of provincial funding and \$20.2 million of federal funding;
- Capital funding for infrastructure projects to increase the supply of provincially owned housing for seniors and persons with disabilities will add \$59.6 million of provincial funding and \$59.6 million of federal funding;
- Capital funding to renovate and modernize aging publically owned housing stock will add \$30.3 million of provincial funding and \$54.9 million of federal funding;
- Full year's funding for the *Women's Transition Housing and Supports Program* will add \$15.9 million;
- Completion of funding for HEAT shelters results in a reduction of \$2.0 million; and
- Integrating builder licensing and research and education responsibilities under the *Homeowner Protection Act* adds \$6.4 million. Builder licensing fees collected will continue to be directed to support costs associated with the licensing and home warranty insurance system as well as research and education respecting residential construction and consumer protection.

The provincial contribution to BC Housing’s budget will reach \$562.9 million in 2010/11, the highest in our history and more than triple the 2004/05 budget (see “Contributions” chart). The federal government is expected to contribute \$272.6 million in 2010/11, which comprises about 31 per cent of total revenues.



Expenditures for housing subsidies will reach a high of \$584 million in 2010/11. Infrastructure funding to renovate the aging public housing stock will increase expenditures for building repairs and maintenance to \$114 million in 2010/11, almost double that of the previous year. Rent assistance, which has been growing consistently since 2004/05 following the introduction of the *Rental Assistance Program* is expected to stabilize at \$72.5 million as rental assistance programs mature. Strategies have been implemented to ensure that administrative costs and building operating costs for public housing remain manageable.

BC Housing's Business Overview

The table below provides an overview of BC Housing's key activities and expected results for 2010/11.

Business Overview – 2010/11

Funding	Program Expenditures	Service Allocation	Households Served
Provincial Government \$551.7 M	Emergency Shelter and Housing for the Homeless \$215.2 M	Emergency Shelter and Housing for the Homeless 9,150 units	Homeless/Homeless at Risk 9,150 households
Federal Government \$272.6 M	Transitional Supported and Assisted Living \$177.4 M	Transitional Supported and Assisted Living 19,070 units	Special Needs 6,480 households
Tenant Rent \$36.7 M	Independent Social Housing \$412.9 M	Independent Social Housing 40,940 units	Women & Children Fleeing Abuse 730 households
Provincial Partnering Ministries \$11.2 M	Rent Assistance in the Private Market \$72.9 M	Rent Assistance in the Private Market 26,290 units	Low-income Families 30,250 households
Other \$12.6 M	Builder Licensing and Research & Education under the <i>Homeowner Protection Act</i> \$6.4 M		Seniors 48,840 households
Total Revenues \$884.8 M	Total Expenses \$884.8 M	Total Units 95,450	Total Households Served 95,450

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