

BC Housing

2020/21 – 2022/23 SERVICE PLAN

February 2020



For more information on BC Housing contact:

Home Office

Suite 1701 – 4555 Kingsway, Burnaby, British Columbia V5H 4V8
E-mail: webeditor@bchousing.org
Phone: 604-433-1711 | Fax: 604-439-4722

Licensing and Consumer Services

Suite 203 – 4555 Kingsway, Burnaby, British Columbia V5H 4T8
E-mail: licensinginfo@bchousing.org
Telephone: 604-646-7050 | Toll-free in Canada: 1-800-407-7757

Interior Region

451 Winnipeg Street, Penticton, British Columbia V2A 5M6
E-mail: interiorregion@bchousing.org
Phone: 250-493-0301 | Outside Penticton call: 1-800-834-7149 | Fax: 250-492-1080

Lower Mainland Non-Profit Office

Suite 1701 – 4555 Kingsway, Burnaby, British Columbia V5H 4V8
E-mail: LMNonProfit@bchousing.org
Telephone: 604-433-1711 | Fax: 604-525-8201

Lower Mainland Directly Managed Office

Suite 510 – 369 Terminal Avenue, Vancouver, British Columbia V6A 4C4
E-mail: LMDirectlyManaged@bchousing.org
Telephone: 604-609-7024 | Fax: 604-609-7031

Northern Region

1380 – 2nd Avenue, Prince George, British Columbia V2L 3B5
E-mail: northernregion@bchousing.org
Telephone: 250-562-9251 | Outside Prince George call: 1-800-667-1235 | Fax: 250-562-6488

Vancouver Island Region

Suite 201 – 3440 Douglas Street, Victoria, British Columbia V8Z 3L5
E-mail: vanislandregion@bchousing.org
Telephone: 250-475-7550 | Fax: 250-475-7551

Supportive Housing Services - Orange Hall

297 East Hastings Street, Vancouver, British Columbia V6A 1P2
Email: OrangeHall@bchousing.org
Telephone: 604-648-4270

Program and Information Line

1-800-257-7756

Flickr: https://www.flickr.com/photos/bc_housing
LinkedIn: <https://ca.linkedin.com/company/bchousing>
YouTube: <https://www.youtube.com/user/bchousing1>
Twitter: https://twitter.com/BC_Housing

or visit our websites at: www.bchousing.org | www.renewingriverview.com

Board Chair Accountability Statement



The 2020/21 – 2022/23 BC Housing Service Plan was prepared under the Board of Commissioners’ direction in accordance with the *Budget Transparency and Accountability Act*. The plan is consistent with government's strategic priorities and fiscal plan. The Board is accountable for the contents of the plan, including what has been included in the plan and how it has been reported. The Board is responsible for the validity and reliability of the information included in the plan.

All significant assumptions, policy decisions, events and identified risks, as of February 18, 2020 have been considered in preparing the plan. The performance measures presented are consistent with the *Budget Transparency and Accountability Act*, BC Housing’s mandate and goals, and focus on aspects critical to the organization’s performance. The targets in this plan have been determined based on an assessment of BC Housing’s operating environment, forecast conditions, risk assessment and past performance.

A handwritten signature in black ink that reads "Cassie J. Doyle". The signature is written in a cursive, flowing style.

Cassie J. Doyle
Board Chair

Table of Contents

Board Chair Accountability Statement 3

Strategic Direction and Alignment with Government Priorities..... 5

Operating Environment..... 6

Performance Plan 7

Financial Plan..... 18

 BC Housing’s Summary Financial Outlook 18

 Key Forecast Assumptions, Risks and Sensitivities 20

 Provincial Rental Housing Corporation..... 21

 PRHC’s Summary Financial Outlook..... 21

 Management’s Perspective on the Financial Outlook 21

Appendix A: Hyperlinks to Additional Information..... 23

 Corporate Governance 23

 Organizational Overview 23

Strategic Direction and Alignment with Government Priorities

The Government of British Columbia remains focused on its three strategic priorities: making life more affordable, delivering better services and investing in a sustainable economy. Crowns are essential to achieving these priorities by providing quality, cost-effective services to British Columbia families and businesses.

Additionally, where appropriate, the operations of Crowns will contribute to:

- The objectives outlined in the government’s newly released A Framework for Improving British Columbians’ Standard of Living,
- Implementation of the *Declaration on the Rights of Indigenous Peoples Act* and the *Truth and Reconciliation Commission (TRC): Calls to Action*, demonstrating support for true and lasting reconciliation, and
- Putting B.C. on the path to a cleaner, better future – with a low carbon economy that creates opportunities while protecting our clean air, land and water as described in the CleanBC plan.

By adopting the Gender-Based Analysis Plus (GBA+) lens to budgeting and policy development, Crowns will ensure that equity is reflected in their budgets, policies and programs.

BC Housing’s strategic direction for the 2020/21 to 2022/23 period has the Province’s commitment to making life more affordable for British Columbians as a priority focus. A historic level of new provincial investments has been invested to initiating and expanding housing programs that will create more affordable homes, in turn supporting social, economic and environmental resiliency for individuals, families and communities across the province.

To deliver new affordable housing programs, BC Housing works in partnership with the private, non-profit and co-operative housing sectors, provincial health authorities and ministries, other levels of government, Indigenous peoples and community groups. New housing is created across the housing continuum, from supportive housing for the homeless to affordable rental and owner-purchased housing for middle income British Columbians. In 2020/21, approximately 117,616 households will benefit from provincial government affordable housing programs. Further information about BC Housing is provided in Appendix A, including our mandate to support consumer protections under the *Homeowner Protection Act*.

In delivering on our strategic direction and mandate, BC Housing is also committed to working in partnership with Indigenous peoples to embrace and implement the *United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP)* and the *Truth and Reconciliation Commission of Canada (TRC): Calls to Action*. Indeed, one key organizational goal is to enhance Indigenous partnerships and relationships.

| Government Priorities | BC Housing Aligns with These Priorities by Providing: |
|---|--|
| Making life more affordable | <ul style="list-style-type: none"> • Secure, affordable and sustainable housing for British Columbians (Goal 1) |
| Delivering the services people count on | <ul style="list-style-type: none"> • Secure, affordable and sustainable housing for British Columbians (Goal 1) • A strong non-profit and co-op housing sector (Goal 2) |
| A strong, sustainable economy | <ul style="list-style-type: none"> • A strong non-profit and co-op housing sector (Goal 2) • Strong Indigenous partnerships and relationships based on principles of reconciliation (Goal 3) • Sustainability leadership in residential construction (Goal 4) |

In addition to clear alignment with the priorities described above, our strategic direction is shaped by the [2020/21 Mandate Letter](#) provided by the Minister of Municipal Affairs and Housing. Key direction in the Mandate Letter for 2020/21 includes:

- Continue to implement, support and report on BC Housing-related programs delivered through Budget Update 2017, Budget 2018 and Budget 2019, including those BC Housing programs in the *Homes for B.C.: A 30-Point Plan for Housing Affordability in British Columbia*.
- Continue to facilitate partnerships through the new HousingHub division to create and report on market-based affordable housing for middle income and working households.
- Work collaboratively with the Ministry of Municipal Affairs and Housing and the Ministry of Social Development and Poverty Reduction to implement and evaluate a coordinated approach to addressing homelessness.
- Ensure housing projects comply with the provincial *Wood First Act* in our design guidelines and construction standards. These standards require provincially funded housing projects to use wood as their primary construction material, except in instances where concrete or structural steel framing align with building code requirements.

Operating Environment

The key trends, risks and opportunities that could potentially impact BC Housing’s performance results in 2020/21 relate to:

- People experiencing homelessness. BC Housing will continue to provide leadership within a coordinated response framework led by the Office of Homelessness Coordination within the Ministry of Social Development and Poverty Reduction, with the participation of the Ministry of Municipal Affairs and Housing, local municipalities, housing providers and local community agencies. BC Housing implements a range of programs to address homelessness including the *Rapid Response to Homelessness* and *Supported Housing* programs. To mitigate or address neighbourhood concerns for new housing options, we will continue to engage with communities to listen to local concerns and help build awareness and acceptance of housing solutions.
- A moderating housing market. The *Homes for B.C.: A 30-Point Plan for Housing Affordability* is having a moderating effect on the housing market, resulting in: more supply of affordable homes through *Building BC* programs (over a 10-year timeframe), less speculation in the housing

market, increased security for renters and landlords, and tightened rules in the real estate and financial sectors. The private market trend of building more purpose-built rental apartments, especially in areas around Vancouver, Victoria and Kelowna, is expected to continue. However, average market rents are forecast to remain at historically high levels, with rental vacancy rates remaining low, making it difficult for people to find homes with an affordable rent. *Building BC* programs and the HousingHub will add new affordable rental supply across the province.

- Ensuring timely implementation of new provincial housing investments. This risk area is a key focus for BC Housing and our housing partners – specifically to ensure that the delivery of *Building BC* programs is met within the ten-year timeframe. A range of strategies are in place to ensure timely program delivery including recruitment and retention of BC Housing staff, and enhanced governance, oversight and performance reporting in the creation of new housing. We are also working with government and housing partners to ensure new housing projects move through municipal approvals processes in a timely manner.
- Supporting capacity in the social housing sector. The capacity of our non-profit housing partners is critical to the successful delivery of *Building BC* housing programs. Governance, financial sustainability, development capacity and tenant relations are key areas of focus. Specific initiatives include improving our operational review process, and establishing partnerships with the BC Non-Profit Housing Association, the Aboriginal Housing Management Association and First Nation communities to develop education and training strategies.
- Evolving social, environmental and cultural priorities in our society. Intentional strategies are being developed in the next year to guide how we carry out our mandate. For example, a reconciliation strategy will support a mutually respectful relationship between BC Housing and Indigenous peoples in B.C. to enhance self-determination while addressing socio-economic gaps. We are also strengthening our commitment to supporting diversity, equity and inclusion approaches in programs and activities including using the GBA+ lens and analysis. Finally, we are developing a new sustainability strategy that will enhance our ability to integrate social, financial and environmental considerations into planning and decision-making processes, and demonstrate leadership on sustainability and housing in alignment with [CleanBC](#) priorities.
- Continuing trades shortages and rising construction costs. These trends continue to place upward pressure on development and capital renewal budgets across the province. BC Housing uses a range of strategies to address this trend, including establishing project contingencies based on third-party escalation forecasts, reviewing project costs against construction costs, reviewing details of benchmarking and analysis at critical milestones in the development process, and responding with procurement strategies to changes in project cost variables.

Performance Plan

This performance plan describes BC Housing’s goals, objectives and performance measures for 2020/21 to 2022/23. This plan was developed in partnership with our responsible ministry, the Ministry of Municipal Affairs and Housing. We engage with the Ministry on an ongoing basis and monitor performance measures in quarterly accountability meetings with the Deputy Minister and Assistant Deputy Minister. BC Housing will continue to work with the Ministry on future initiatives and projects to effectively deliver our mandate.

Goal 1: Secure, affordable and sustainable housing for British Columbians

Secure, affordable and sustainable housing is the foundation of healthy people, families and communities. This goal describes BC Housing’s contribution to the Province’s goal of making life more affordable for British Columbians through increasing the supply of affordable housing, including rental, non-profit, co-op and owner-purchased housing.

The goal wording has been changed since the previous Service Plan to better reflect BC Housing’s commitment to sustainability¹ in the context of how affordable housing options support social, environmental and economic resiliency for individuals, families and communities. For example, BC Housing’s Design Guidelines and Construction Standards support our sustainability goals related to the reduction of energy consumption and greenhouse gas emissions, reduction of operating and maintenance costs, waste reduction and diversion from landfills, water efficient designs and sustainable material selection. They also include recommendations aiming to lower the risks of climate-driven extreme weather events such as heat waves or flooding in accordance with BC Housing’s Climate Adaptation Framework. New social housing projects through new construction are also required to have a minimum of five per cent of units that are accessible for people using mobility devices.

Objective 1.1: Deliver on provincial investment and financial assistance to increase the supply of affordable, social and supportive housing

BC Housing implements a range of programs that deliver on provincial investments into the creation of new affordable social and supportive housing for low- to moderate-income earners, including families, seniors, youth, people with disabilities, Indigenous peoples, those experiencing homelessness and at risk of homelessness, and women and children fleeing violence. This is carried out through [Building BC](#) programs including the [Community Housing Fund](#), [Women’s Transition Housing Fund](#), [Indigenous Housing Fund](#), and [Supportive Housing Fund](#).

Key Strategies:

- Continue to deliver *Building BC* housing programs through partnerships with non-profit, co-operative, community and Indigenous organizations. This involves progressing initiated projects through development and construction phases, completing projects and issuing calls for new project proposals.
- Respond to and prevent homelessness by 1) implementing emergency shelter and supportive housing options, 2) collaborating with provincial ministries to deliver the Homelessness Action Plan, including implementing the 2020 Report on Homeless Counts in B.C., and 3) continuing to identify youth and Indigenous peoples as a key target group for program innovation and enhancement.
- Facilitate community dialogue and engagement to help advance social housing projects, supported by integrated research and engagement strategies.
- Develop a new housing benefit program as part of the federal-provincial National Housing Strategy agreement.

¹ BC Housing uses the definition of sustainability as defined by the International Organization for Standardization (ISO) in which “the state of the global system, which includes environment, social and economic subsystems, in which the needs of the present are met without compromising the ability of future generations to meet their own needs.”

- Deliver financial assistance to low-income seniors and working families in the private market through [Shelter Aid for Elderly Renters \(SAFER\) program](#) and [Rental Assistance Program](#), and improve take-up of these programs.
- Improve the physical accessibility of homes for low-income seniors and persons with disabilities.
- Ensure effective management and maintenance of BC Housing’s directly managed housing stock including strategic redevelopment opportunities.

| Performance Measures | | 2018/19 Actuals | 2019/20 Forecast | 2020/21 Target | 2021/22 Target | 2022/23 Target |
|----------------------|--|-----------------|------------------|----------------|----------------|----------------|
| 1.1a | Number of affordable and supportive housing units completed, including affordable rental and social housing ¹ | 4,180 | 3,035 | 3,500 | 2,800 | 2,300 |
| 1.1b | Number of households receiving rental assistance in the private market ² | 33,494 | 34,295 | 35,632 | 36,969 | 38,306 |

¹ Data Source: BC Housing’s Central Property System database. Programs reflected in measure 1.1a include: *Rapid Response to Homelessness, Affordable Rental Housing, Community Housing Fund, Indigenous Housing Fund, Supportive Housing Fund, Women’s Transition Housing Fund, Homelessness Action Plan, Provincial Investment in Affordable Housing, Community Partnership Initiatives, Housing Endowment Fund, Housing Priority Initiatives, Investment in Affordable Housing*, and other provincial programs.

² Data Source: BC Housing’s Subsidy Management and Assisted Rental Tool (SMART) database. Programs reflected in measure 1.1b include *Shelter Aid for Elderly Renters* and the *Rental Assistance Program*.

Linking Performance Measures to Objectives:

These measures describe BC Housing’s contribution towards creating and facilitating more supply of affordable housing through provincial programs. It identifies the number of supportive and affordable housing units completed, as well as households receiving rental assistance.

Discussion:

Measure 1.1a identifies the number of affordable and supportive housing units completed and ready for occupancy by residents. Future targets are based on the completion of new units created through acquisition or new construction. Targets for 1.1b are based on anticipated up-take for rent assistance programs.

It should be noted that the level of affordable housing production in future years includes the ten-year *Building BC* funding program. The Province has made significant progress on its 30-point housing plan, *Homes for B.C: A 30 Point Plan for Housing Affordability in British Columbia*, which represents a \$7 billion investment in housing over 10 years. Of the total target of 114,000 units in the 30-point plan, 39,100 units of publicly funded affordable housing are planned, of which BC Housing is directly responsible for 29,100 through programs such as those delivered through *Building BC* and *Homelessness Action Plan*². Additional units will be created through the HousingHub (see Objective 1.2 on the following page). Currently there are approximately 16,000 units at various stages of development across the province through these programs with approximately half at early initiation

² The 36,700 units target referenced in the 2019/20-2021/22 service plan were comprised of 28,700 Building BC units that are the responsibility of BC Housing and 8,000 student housing units that are the responsibility of the Ministry of Advanced Education, Skills and Training. This updated total includes a further 2,000 units through the Regional Housing First Partnership with the CRD. *Budget 2019* and *Budget 2020* also added 400 additional supportive housing units to BC Housing’s target, resulting in a 29,100 unit target.

stage or in development and the other half under construction or completed. Completion of a number of these units will occur after the 2021/22 – 2023/24 Service Plan time frame given typical development and construction timelines, particularly for larger buildings.

Objective 1.2: Facilitate partnerships through the HousingHub to create market-based and affordable housing for middle income and working households

The HousingHub is an office within BC Housing established to develop, facilitate and support partnerships across the housing sector to create market-based and affordable housing for middle income and working households without the need for ongoing subsidies. The HousingHub works with a range of affordable housing partners including non-profits and private developers, faith groups, property owners, federal and local governments, and Indigenous organizations. Activities focus on proactively identifying potential partnerships, coordinating and facilitating projects and working with government partners where needed. The HousingHub programs will deliver additional affordable housing on top of the publicly funded units noted above and target affordable rental and ownership housing through the *Provincial Rental Supply* program and the *Affordable Home Ownership Program*, respectively.

Key Strategies:

- Actively pursue partnerships in areas experiencing affordability issues for middle income and working households.
- Work with local governments to facilitate projects, e.g., by reducing parking requirements, waiving development cost charges, or encouraging community amenity contribution, fees or property taxes, and accelerating permitting and approval processes.
- Help enable access to provincial land for affordable housing and offer low-cost financing.
- Implement cost-match funding from the *Canada Mortgage and Housing Corporation-British Columbia Bilateral Agreement* to support the development of additional HousingHub units.

| Performance Measure | 2018/19 Actuals | 2019/20 Forecast | 2020/21 Target | 2021/22 Target | 2022/23 Target |
|--|-----------------|------------------|----------------|----------------|----------------|
| 1.2 Number of new affordable housing project partnerships to facilitate new units initiated by the HousingHub ¹ | n/a | 14 projects | 14 projects | 14 projects | 14 projects |

¹ Data Source: BC Housing Central Property System database.

Linking Performance Measures to Objectives:

1.2 This measure will identify the number of new affordable housing projects initiated through HousingHub partnerships without ongoing government financial assistance or subsidies. Partnerships are essential to advancing innovative approaches to creating market-based and affordable housing solutions.

Discussion:

This is a new performance measure for 2020/21. Targets are based on unique projects being developed through HousingHub partnerships. The number of units delivered through these projects for each fiscal year will be reported in the Annual Service Plan Report. For example, there are

currently 2,600 units in 30 projects underway through the HousingHub, and it is estimated that over 900 new affordable housing units will be completed through the HousingHub in the 2019/20 fiscal year.

Goal 2: A strong non-profit and co-op housing sector

The non-profit and co-op housing sector is a critical partner in the delivery of affordable housing in British Columbia, especially in the context of significant new provincial investments through *Building BC* programs. The sector has grown in both size and sophistication, and its positive impacts in communities through the provision of affordable housing are considerable. In B.C., as well as nationally, a culture of innovation, social entrepreneurship and business transformation is emerging within the sector.

The goal is to support capacity in the non-profit sector to enable successful transformation and support management of challenges that emerge with an unprecedented level of growth and change. The goal also encompasses examining BC Housing’s policies and practices to identify how they can be improved to better support a strong sector.

Objective 2.1: Collaborate with and support our non-profit housing partners to ensure long-term provision of social and affordable housing

This objective focuses on ongoing collaboration and dialogue to identify current challenges, opportunities, new practices and processes to better support housing provider capacity. Work to support this objective is carried out at the sector-wide level through partnerships with Housing Partnerships Canada and BC Non-Profit Housing Association, for example, as well as ongoing relationships with over 800 housing providers across the province. These day-to-day relationships involve the development of new housing projects and the administration of operating agreements for existing housing, e.g., budget setting, financial and operational reviews.

Key Strategies:

- Collaborate with sector organizations, including the BC Non-Profit Housing Association (BCNPHA), Co-op Housing Federation of BC (CHF BC) and Aboriginal Housing Management Association (AHMA), to identify ways that BC Housing can further support sector capacity through education, training and research. This also involves sector-wide strategy development, e.g., best practices for tenant relocation when projects are redeveloped.
- Implement enhancements to BC Housing’s operational review process in consultation with the sector including such areas as governance.
- Add greater strength and focus on support to the non-profit sector within BC Housing’s Operations Branch.
- Provide support to the sector with respect to cyber security and IT management.
- Review existing social housing operating agreements and programs to provide greater flexibilities and tools to non-profits to support long-term sustainability.

| Performance Measure | 2018/19 Actuals | 2019/20 Forecast | 2020/21 Target | 2021/22 Target | 2022/23 Target |
|---|-----------------|------------------|----------------|----------------|----------------|
| 2.1 Percentage of non-profit housing provider financial reviews carried out by BC Housing within five months from date of BC Housing receiving the financial review results from the non-profit housing provider ¹ | 67% | 70% | 70% | 70% | 70% |

¹ Data Source: This measure is gathered by BC Housing as part of the financial review process with housing providers.

Linking Performance Measures to Objectives:

2.1 This measure focuses on the completion of the financial reviews of non-profit housing providers by BC Housing and reflects BC Housing’s commitment to streamlining and prioritizing our financial and operational review practices.

Discussion:

A timely financial review process enables housing providers to know with accuracy what their budget will be for the year and helps avoid subsidy overpayments or underpayments that must be later addressed. It also relies on establishing good relations and communications with non-profit housing partners.

This measure is currently under review. BC Housing is undertaking an audit of the operational review process. The audit will identify the strengths of the operational review and areas for improvement and will recommend an effective process to facilitate capacity building in the sector. Following the completion of the audit in 2020, a new performance measure will be created.

Objective 2.2: Deliver new provincial government investments to help protect existing social housing

This objective focuses on the capital renewal and long-term rehabilitation needs of the approximately 60,000 social housing units³ in B.C., and new provincial funding targeted for capital renewal of the existing social housing stock.

The average age of the social housing stock is approximately 35 years, and many buildings are approaching a time when major building components require replacement or repair. Therefore, while increasing the supply of housing is an important focus of the province and BC Housing, it is equally important that existing social housing be maintained to ensure it remains in good condition for current and future residents, to meet targets for GHG emission reductions, and to ensure that the public investment in the infrastructure is protected. BC Housing addresses this priority by working with housing providers to identify priority capital renewal projects, and by providing funding for maintenance and rehabilitation through various programs.

Key Strategies:

- Allocation and spending of new provincial funding for capital renewal of the existing social housing stock.

³ Social housing is defined as a housing development that government subsidizes and that either government or a non-profit housing partner owns and/or operates.

- Continue supporting the preservation of existing affordable housing stock, including subsidized and private rental units. Funding will be used to:
 - Prevent the condition of social housing buildings from deteriorating; and
 - Carry out needed seismic, life and safety and energy performance improvements.
- Implement the action plan to deliver cost-matched funding through the federal-provincial National Housing Strategy agreement.

| Performance Measure | 2018/19 Actuals | 2019/20 Forecast | 2020/21 Target | 2021/22 Target | 2022/23 Target |
|---|-----------------|------------------|----------------|----------------|----------------|
| 2.2 Facility condition index ¹ | 21% | 16% to 21% | 16% to 21% | 16% to 21% | 16% to 21% |

¹ Data Source: Physical building condition assessments of building systems, sub-systems and components are tracked by BC Housing and used to calculate the Facility Condition Index (FCI). This index quantifies the physical condition of the social housing stock.

Linking Performance Measures to Objectives:

2.2 The Facility Condition Index (FCI) is an indication of the average condition of buildings – a lower percentage corresponds to a building in better condition. The FCI is calculated as the cost of a building’s renewal and replacement needs divided by its replacement cost, expressed as a percentage. The FCI is used to assist with investment decisions and strategic directions regarding capital planning and rehabilitation budgets for social housing. Without adequate continued investment in the existing social housing stock, the FCI rises over time.

Discussion:

The FCI is calculated using a five-year projected average of the condition of the social housing stock. This approach is an industry standard and supports effective maintenance and rehabilitation planning. Increased provincial funding to preserve the existing social housing stock has allowed us to set targets at 16 to 21 per cent over the three-year period, which is an acceptable service level for buildings and building conditions for tenants.

Future targets also reflect a larger sampling of assessed units, growing to nearly 100 per cent of the social housing stock. Planned maintenance and rehabilitation work over the three-year service plan period is factored into the target, as is available funding each year. On average, buildings in BC Housing’s directly managed portfolio are older than those in the non-profit housing sector.

Goal 3: Strong Indigenous partnerships and relationships based on principles of reconciliation

Recognizing over representation of Indigenous peoples within the homeless population and in housing that is not adequate nor affordable, BC Housing works in partnership with Indigenous communities and organizations to help create more affordable housing and to increase self-reliance in the Indigenous housing sector.

In 2018/19 British Columbia became the first province in Canada to invest provincial housing funds in First Nation communities (on-reserve) through opportunities provided by *Building BC* programs and significant new levels of provincial housing investments. With this change BC Housing is developing new relationships with First Nation communities and Indigenous peoples across the province to create affordable housing.

BC Housing is developing a reconciliation strategy as part of our commitment to adopt policies and practices based on the *United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP)* and the *Calls to Action of the Truth and Reconciliation Commission (TRC)* within our specific mandate and context. This goal statement has been changed since the previous Service Plan to reflect this work.

Objective 3.1: Partnerships at all levels that increase a self-reliant Indigenous housing sector

BC Housing has been working with Indigenous partners to create affordable housing since the Commission was created over 50 years ago, with relationships evolving significantly over time. This objective reflects BC Housing’s changing role and how it can take further steps to listen and help build capacity and self-reliance within the Indigenous housing sector, including how existing provincial housing programs and services can be improved. Partnerships at all levels mean engaging widely with Indigenous communities and First Nations, Aboriginal Housing Management Association (AHMA) and other Indigenous leadership organizations to help facilitate change.

Key Strategies:

- Collaborate with AHMA to increase affordable housing options, improve housing conditions and build a strong Indigenous housing sector. The basis for this collaboration is the *Indigenous Social Housing Management Agreement* between AHMA and BC Housing signed in 2019.
- Develop a reconciliation strategy to create a broader and more meaningful framework for how we do business and strengthen the level of commitment related to our adoption of *UNDRIP* and *TRC* recommendations. The first phase of the strategy will involve engaging with Indigenous partners, First Nation communities and leaders with whom we currently work to listen and learn more about what reconciliation means in the context of how we deliver our mandate.
- Collaborate with First Nations partners to create new housing through *Building BC* programs: *Community Housing Fund, Supportive Housing Fund, Indigenous Housing Fund, and Women’s Transition Housing Fund*.
- Help improve housing conditions on First Nation reserves through partnerships in asset management, capital planning and homeowner education.
- Develop and deliver education and training sessions to BC Housing staff and partners on implementing *UNDRIP* and *TRC* recommendations, specifically as these apply to the delivery of housing.
- Leverage opportunities to promote employment, skills training and business development for Indigenous peoples through the delivery of our program and business activities, including increasing the number of Indigenous employees at BC Housing.

| Performance Measures | | 2018/19 Actuals | 2019/20 Forecast | 2020/21 Target | 2021/22 Target | 2022/23 Target |
|----------------------|---|-----------------|------------------|----------------|-----------------------------|----------------|
| 3.1 | Progressive Aboriginal Relations (PAR) certification ¹ | Gold | Gold | Gold | Gold (Recertification Year) | Gold |

¹ Data Source: The Canadian Council for Aboriginal Business.

Linking Performance Measures to Objectives:

3.1 Performance is measured through the [Progressive Aboriginal Relations Certification \(PAR\)](#), whereby our broad range of initiatives and partnerships with Indigenous organizations are assessed by an independent third-party organization, the Canadian Council for Aboriginal Business (CCAB). The CCAB assesses our commitment to the Indigenous sector in four areas: leadership, employment, business development, and community relationships. Assessment results are certified at a bronze, silver or gold level, depending on performance. BC Housing is the only social housing provider in Canada to be certified under the PAR program.

Discussion:

Although the certification process occurs every three years, our work to promote stronger Indigenous partnerships is ongoing. BC Housing's plans, initiatives and collaboration efforts support the goal of continual improvement each year. BC Housing's Gold certification result demonstrates an active and ongoing commitment to supporting the Indigenous housing sector and our Indigenous housing partners. The next certification process will occur in 2021. Benchmarking is conducted on a national level against other Canadian companies participating in the PAR Certification program.

Goal 4: Sustainability leadership in residential construction

This goal brings together two areas where we have significant leadership responsibilities.

Through the Licensing and Consumer Services branch, we partner with industry and government to promote consumer protections related to the quality of residential construction. We also initiate [technical research and education](#) projects promoting the durability, sustainability and resiliency of new residential construction.

Through the [livegreen Housing Sustainability Plan](#), we provide leadership in sustainability and play an important role in supporting the provincial CleanBC plan. As demonstrated in our [Carbon Neutral Action Report](#), we have made progress against reducing our greenhouse gas emissions and environmental footprint. We are also actively working towards mobilizing building adaptation and resiliency within the construction industry in order to respond to the climatic changes already occurring and forecasted to occur in the decades ahead, such as increasing temperatures, changes in precipitation patterns, or sea levels rising.

The goal statement has been changed since the previous Service Plan to emphasize BC Housing's commitment to sustainability in residential construction.

Objective 4.1: Promote consumer protections and compliance with the *Homeowner Protection Act* to ensure buyers of new homes are protected

This objective focuses on our responsibility to strengthen consumer protection for buyers of new homes and to work with the industry to improve the quality of residential construction. The objective statement has been updated from the previous Service Plan to reflect our role in consumer protection.

Key Strategies:

- Continue to implement, refine and streamline the builder qualification system and owner builder exemption.

- Improve warranty provisions of the *Homeowner Protection Act* regulation to strengthen consumer protections.
- Introduce mandatory Step Code training for general contractors as part of continuing professional development program.

| Performance Measure | 2018/19 Actuals | 2019/20 Forecast | 2020/21 Target | 2021/22 Target | 2022/23 Target |
|---|-----------------|------------------|----------------|----------------|----------------|
| 4.1 Builders' rating of the effectiveness of compliance efforts to monitor and enforce licensing and home warranty insurance requirements, and the owner-builder exemption regarding home warranty insurance ¹ | 82% | 80% or higher | 80% or higher | 80% or higher | 80% or higher |

¹ Data Source: Annual Licensed Residential Builder Survey.

Linking Performance Measures to Objectives:

4.1 This is a measure of the overall health of the builder licensing, home warranty insurance and owner-builder authorization system, whereby compliance issues are dealt with quickly and effectively by the Licensing and Consumer Services branch. Assessment of performance is best done by industry participants (licensed residential builders) that operate their businesses within the regulatory framework.

Discussion:

Future targets are based on past trends, recognition that reducing instances of non-compliance continues to be an area for business improvement, and strategic initiatives underway to enhance compliance efforts each year over the three-year service planning period. The targets remain constant over the next three years as 80 per cent or higher represents a good level of performance.

Objective 4.2: Support the provincial CleanBC sustainability plan by lowering greenhouse gas emissions from BC Housing buildings and business operations

BC Housing is committed to work towards increasing the efficiency of social housing buildings and reducing greenhouse gas pollution. In collaboration with the residential construction industry, non-profit housing sector, the utilities and other partners, BC Housing is engaged in building innovation and energy efficiency in new construction, energy conservation initiatives for existing buildings, green building technologies and energy conservation training and education, and increasingly in incorporating building adaptation measures in order to support building and community resiliency.

As well, through the [livegreen Housing Sustainability Plan](#), we encourage and take a leadership role in promoting sustainability and supporting the provincial CleanBC plan. The objective statement has been changed since the previous Service Plan to reflect our role in supporting the CleanBC plan. Sustainability is promoted within our programs and services and within the broader housing sector. As demonstrated in our [Carbon Neutral Action Report](#), we have made progress in reducing our greenhouse gas emissions and our organizational environment footprint. Our key strategies under this objective support and align with the CleanBC plan.

A review of BC Housing’s current *livegreen* sustainability strategy has recently been completed in response to the provincial government’s new CleanBC plan, as well as it being the tenth year of the *livegreen* sustainability strategy. The review identifies opportunities for BC Housing to help create sustainable and resilient communities through our business activities, leading to the development of a new sustainability plan for BC Housing in the coming year.

Key Strategies:

- Promote energy efficient, low carbon and resiliency-oriented approaches and sustainability in our affordable housing programs, including adoption of the higher steps of the BC Energy Step Code.
- Support the improvement and preservation of existing social housing stock through energy retrofits and building envelope upgrades.
- Build capacity within the construction industry and social housing sectors through research and education to integrate adaptive and resilient solutions into building design and renovation.
- Initiate technical projects in partnership with industry and government related to the quality and sustainability of residential construction.
- Develop and launch a renewed housing sustainability plan following the completed sustainability review.

| Performance Measure | 2018/19 Actuals | 2019/20 Forecast | 2020/21 Target | 2021/22 Target | 2022/23 Target |
|---|------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| 4.2 Percent reduction in greenhouse gas emissions from 2010 levels ¹ | 24% ² | Reduction of 20% to 25% | Reduction of 25% to 30% | Reduction of 25% to 30% | Reduction of 30% to 35% |

¹ Data Source: Provided directly from utility companies and compiled by an external consultant. In accordance with legislative requirements, the targets and results are based on a calendar year, e.g., results for 2018 are reported in the 2018/19 Actuals column.

² The 2018/19 Actuals have been calculated using the 2010 baseline. Using the 2005 baseline, the result is calculated at 34% as reported in the 2018/19 Annual Service Plan report.

Linking Performance Measures to Objectives:

4.2 This measure tracks our progress in reducing Greenhouse Gas (GHG) emissions and maintaining a carbon neutral status as required by the *Climate Change Accountability Act (CCAA)* (formerly the *Greenhouse Gas Reductions Target Act*). It includes emissions from the entire housing portfolio of buildings owned or leased by the Provincial Rental Housing Corporation and is aligned with provincial reporting requirements.

Discussion:

In previous Service Plans, this measure used a 2005 baseline. To align this measure to new government reporting guidelines, the 2019/20 forecast and new future targets will report against 2010 levels and are set to achieve a 25 per cent or more reduction in GHG emissions. The new baseline, which was calculated across the housing portfolio for the year 2010, has been maintained to compare our reductions. Annual targets are comparisons to GHG emission levels from 2010 level (they are not cumulative) and consider anticipated changes to the housing portfolio over the three-year Service Plan period.

Financial Plan

BC Housing's Summary Financial Outlook

| (\$000) | 2019/20 Forecast | 2020/21 Budget | 2021/22 Budget | 2022/23 Budget |
|---|---------------------|-------------------|-------------------|-------------------|
| Revenue | | | | |
| Provincial Share * | 1,161,193 | 1,370,368 | 1,435,855 | 1,510,135 |
| Federal Share | 132,186 | 168,464 | 128,541 | 132,791 |
| Other ** | 61,219 | 57,168 | 57,196 | 57,264 |
| Total Revenue | 1,354,598 | 1,596,000 | 1,621,592 | 1,700,190 |
| Expenses | | | | |
| Grants | 549,970 | 743,310 | 726,904 | 776,666 |
| Housing Subsidies | 509,444 | 548,011 | 582,878 | 605,164 |
| Rental Assistance | 132,045 | 141,356 | 145,350 | 149,243 |
| Salaries and Labour | 70,727 | 80,042 | 81,602 | 83,195 |
| Operating Expenses | 30,655 | 27,633 | 28,383 | 28,383 |
| Building Maintenance | 26,615 | 17,664 | 18,018 | 18,595 |
| Office and Overhead | 15,825 | 14,211 | 14,211 | 14,211 |
| Utilities | 9,170 | 9,717 | 9,962 | 10,215 |
| Grants in lieu of Property Taxes | 8,178 | 8,839 | 9,067 | 9,301 |
| Research and Education | 1,613 | 1,467 | 1,467 | 1,467 |
| Interest Expense | 356 | 3,750 | 3,750 | 3,750 |
| Total Expenses | 1,354,598 | 1,596,000 | 1,621,592 | 1,700,190 |
| Net Income from Operations | - | - | - | - |
| Total Liabilities | 702,753 | 1,558,467 | 1,369,057 | 1,204,638 |
| Accumulated Surplus /Retained Earnings | 195,435 | 195,435 | 195,435 | 195,435 |
| Total Capital Expenditures | 5,000 | 5,000 | 5,000 | 5,000 |

* 2020/21 includes funding of \$885.1 million provided directly by the provincial government to BC Housing, \$456.3 million from the Housing Priority Initiatives Special Account, \$12.9 million from the Housing Endowment Fund, and \$16.1 million from other partnering ministries/agencies.

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

The Summary Financial Outlook chart above shows BC Housing's forecasted financial outlook from 2019/20 through to 2022/23.

Revenues

Over 96 per cent of BC Housing's revenues are contributions received from the provincial and federal governments.

Provincial Contributions

In 2020/21, BC Housing is forecasting to receive total provincial contributions of \$1.370 billion.

Of this amount, BC Housing is forecasting to receive provincial contributions of \$0.975 billion in 2020/21 primarily to fund operating and support costs to a variety of housing programs and initiatives and capital grants to housing providers for the construction of new housing units. This funding increases to \$1.073 billion in 2021/22 and \$1.195 billion in 2022/23. Year over year the operating and support subsidy to housing providers increases due to new funding for newly completed projects under the *Building BC* programs: *Community Housing Fund*, *Indigenous Housing Fund*, *Women's Transition Housing Fund* and *Supportive Housing Fund*. Increases to operating subsidies is partially offset by decreases to project grants in the *Community Housing Fund* and *Indigenous Housing Fund* programs. Other programs or initiatives receiving operating and support funding include: *Shelter Aid for Elderly Renters (SAFER)*, *Rental Assistance Program (RAP)*, *Women's Transition Housing and Supports* program, *Homeless Outreach Program*, *Homeless Prevention Program*, and the *Emergency Shelter Program*.

Included in the provincial contributions to fund operating and support costs and housing provider capital grants is \$456.3 million in 2020/21, \$505.8 million in 2021/22, and \$598.6 million in 2022/23 from the *Housing Priority Initiatives (HPI) Special Account*. The *HPI Special Account* will provide \$193.9 million each year from 2020/21 through 2022/23 for ongoing operating and support costs for new and existing housing projects. \$169.0 million in 2020/21, \$218.5 million in 2021/22 and \$311.4 million in 2022/23 will fund capital grants to non-profit societies for new projects to increase the supply of affordable housing units throughout the province. Finally, \$93.4 million annually will be provided to non-profit societies for the maintenance and rehabilitation of their existing social housing stock.

In 2020/21, \$395.8 million in provincial contributions will be invested in capital projects, decreasing to \$314.7 million in 2022/23. Projects in the *Supportive Housing Fund* and *Women's Transition Housing Fund* programs will receive significant increases over the next three years, from \$59.3 million in 2019/20 to \$214.1 million in 2022/23 as committed projects under these programs move forward through the construction stage. Funding to address the aging provincially owned social housing stock is \$46.9 million annually.

Federal Contributions

In 2020/21, federal contributions are forecasted to be \$168.5 million, decreasing to \$132.8 million in 2022/23. This contribution includes \$134.1 million for existing programs under the *Social Housing Agreement*, reducing to \$89.9 million in 2022/23. Also included in federal contribution is funding under the *CMHC-British Columbia Bilateral Agreement under the 2017 National Housing Strategy* which provides \$34.4 million for the *BC Priorities Housing Initiative* and the *Canada Community Housing Initiative* in 2020/21 which increases to \$37.0 million in 2021/22 and \$43.0 million in 2022/23.

Other Contributions

The remaining revenues are from tenant rent and other sources including builder licensing fees. The Licensing and Consumer Services Branch of BC Housing is fully self-supported from the collection of builder licensing fees that are anticipated to generate approximately \$6 million in revenue annually. This revenue will fund costs associated with the licensing and home warranty insurance system, as well as research and education in residential construction and consumer protection.

Expenditures

BC Housing's expenditures are largely comprised of housing subsidies, rental assistance, administration costs, operational costs and building maintenance costs.

Grants and housing subsidies make up the majority of BC Housing's expenditures. Grants are one-time funding for new construction or renovation of subsidized housing. Housing subsidies for ongoing operational and support costs is provided to non-profit societies. This subsidy is expected to increase in future years as new projects under the *Building BC* programs become operational.

Rental assistance helps eligible renters with monthly rent payments in the private market. Due to British Columbia's aging population and enhancements introduced to the program in 2018, it is expected that rental assistance under the *Shelter Aid for Elderly Renters* (SAFER) program will increase in future years. While the SAFER program is growing, the *Rent Assistance Program* (RAP) aimed for low-income working families remains steady.

Administration costs are made up of salaries and labour paid to BC Housing employees, office and overhead costs incurred in administering the housing portfolio, as well as research and education costs. These costs are expected to increase as additional staff are required to deliver and administer new projects and programs.

Operational costs which include operating expenses, utilities, and grants in lieu of property taxes show little change. Slight increases are expected in utilities as well as grants in-lieu of property taxes.

Building maintenance costs are expected to remain constant annually.

Key Forecast Assumptions, Risks and Sensitivities

The following assumptions have been used in the forecast:

- Provincial and federal contributions match existing approvals;
- Interest rates for mortgage take-outs and renewals are based on provincial Treasury Board forecasts;
- Rental assistance take-up is expected to increase;
- Construction activity for new builds and renovations will match planned schedules, which include anticipated construction delays; and
- Growing trades shortages and rising construction costs.

Risks and sensitivities considered:

- Future rate increases in electricity, natural gas, water and sewer and property taxes have been considered. Various measures, such as building energy retrofits and the bulk purchase of natural gas have been implemented to help offset this impact.
- Mortgage renewals with longer terms are in place to offset the risk of raising interest rates.

Provincial Rental Housing Corporation

The net income projected for the Provincial Rental Housing Corporation (PRHC) is primarily the result of gain on sales generated from the sale of land and buildings.

PRHC's Summary Financial Outlook

| (\$000) | 2019/20 Forecast | 2020/21 Budget | 2021/22 Budget | 2022/23 Budget |
|------------|---------------------|-------------------|-------------------|-------------------|
| Net Income | 4,867 | 1,997 | 2,000 | 2,000 |

Management's Perspective on the Financial Outlook

New investment continues to be made into affordable, social, supportive and market housing. More new housing will be developed as BC Housing partners with local governments, the federal government, Indigenous peoples, and the private, not-for-profit, and co-op sectors to develop new and innovative affordable housing solutions for people who are homeless or at risk of homelessness, persons with disabilities, and low and moderate-income seniors, families and youth.

Over the next three years BC Housing will continue to make progress on building the homes that British Columbians need by investing \$1.4 billion towards the *Building BC* programs to construct new units. In addition to the construction of new units, \$140 million in subsidies over the next three years will be provided to ensure projects built under *Building BC* programs remain affordable, and support services are available to the people who require them.

PRHC continues to invest the proceeds from properties transferred under the *Non-Profit Asset Transfer* program into housing programs including the *Provincial Investment in Affordable Housing* program which will commit a total of \$355 million in capital investments from 2016/17 through 2020/21 to create more than 2,000 affordable rental housing units in British Columbia.

Existing social housing, both society and provincially owned, will benefit from the injection of \$421 million over the next three years for building renovations, energy performance upgrades, fire safety retrofits and seismic improvements.

BC Housing will continue to deliver a range of client-centered programs and services through strong partnerships across British Columbia. Future ongoing operating and support subsidies to non-profit housing providers are increasing as new buildings under *Rapid Response to Homelessness*, *Community Housing Fund*, *Indigenous Housing Fund*, *Women's Transition Housing Fund*, and the *Supportive Housing Fund* programs become active. Additional shelter spaces have been made available in response to increased homelessness throughout the province.

Over the next three years, BC Housing will receive \$114 million as part of the *Bilateral Agreement Under the 2017 National Housing Strategy* to retain, renew and expand the social and community housing portfolios, and support British Columbia's priority related to housing repair, construction and affordability through the *BC Priorities Housing Initiative* and the *Canada Community Housing Initiative*.

BC Housing will also continue developing, facilitating and supporting partnerships across the housing sector through the HousingHub. Specifically, the HousingHub will pursue partnerships to create affordable rental and ownership housing for middle income and working families.

Ownership of the Riverview Lands transferred to PRHC in February 2015. Working with multiple partners, BC Housing will continue guiding the long-range planning for the lands.

Appendix A: Hyperlinks to Additional Information

Corporate Governance

BC Housing is accountable to the Minister of Municipal Affairs and Housing through a Board of Commissioners appointed by the Lieutenant Governor in Council.

The Board of Commissioners oversees policy implementation and direction and, in cooperation with senior management, sets 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 of BC Housing to the CEO. The "Governance" page on our website describes our accountability to government as well as profiles of the Board, its members and committees: www.bchousing.org/about/governance.

Organizational Overview

The British Columbia Housing Management Commission (BC Housing) was created in 1967 to deliver on the provincial government's commitment to the development, management and administration of housing. Through the Licensing and Consumer Services Branch, BC Housing also has responsibilities related to licensing of residential construction and consumer protection.

Our role is to assist British Columbians in greatest need of affordable housing by providing options along the housing continuum. We work in partnership with the private and non-profit sectors, provincial health authorities and ministries, other levels of government and community groups to develop a range of housing options. Our partners have the expertise to identify the appropriate housing needs of their client groups and to deliver the support services needed for successful tenancies.

BC Housing has a Board of Commissioners that is responsible for corporate governance, and an organizational structure with six branches. The "About" page on our website provides more information on our organization: www.bchousing.org/about.