

**NOVA SCOTIA HOUSING  
DEVELOPMENT  
CORPORATION**

**Business Plan 2012-2013**

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## Message from the Nova Scotia Housing Development Corporation

The Nova Scotia Housing Development Corporation's (NSHDC) 2012-2013 Business Plan reflects the corporation's priorities for the upcoming fiscal year.

This year the NSHDC is embarking on a new and exciting direction. Housing is key to the economic and social prosperity of Nova Scotia. It contributes to the growth of the provincial economy and the creation of good jobs, and is at the centre of individual, family and community wellbeing.

Nova Scotia and Nova Scotians are changing. These changes present new housing opportunities to support the creation of vibrant, healthy and diverse communities. This year the corporation, in concert with the Department of Community Services, and in consultation with our housing partners and stakeholders, will develop a Provincial Housing Strategy.

The strategy will serve as a call to action. We will build on the successes of the Affordable Housing Initiative, leverage the financial and development capacity of the corporation, and engage our partners in the public, private and social enterprise sectors. The way forward to improving our housing capacity and the health, social and economic well being of those we serve is through innovative approaches.

Nova Scotia is at the forefront of a new era of housing development. The NSHDC is well positioned and prepared to lead the way.

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Denise Peterson-Rafuse

Minister, Department of Community Services

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Rob Wood

Deputy Minister, Department of Community Services

## 1.0 Mission / Mandate

The Nova Scotia Housing Development Corporation (NSHDC), created in 1986, provides financing for government's social and supported housing programs. It is responsible for holding the province's social housing assets and consolidating the revenues and expenditures associated with operating these assets.

Created by the *Nova Scotia Housing Development Corporation Act*, the activities of the corporation include:

- the acquisition and disposal of real estate
- the negotiating agreements
- the borrowing and investing funds
- the lending money and guaranteeing payments
- the mortgaging property.

Staff of the Department of Community Services carry out the management and administration functions of the corporation, but are not direct employees of the corporation.

## 2.0 Strategic Goal

The strategic goal of the Nova Scotia Housing Development Corporation is to ensure a range of assets and financial tools are available and used effectively to improve the health, diversity and sustainability of affordable, public and social housing.

### Healthy Communities: Joined-up Approach

It is well established that housing is a key determinant of educational, social, health and economic outcomes, and can influence population outcomes both positively and negatively.

“The quality, location, and cost of housing are major factors in the health of Canadians. Quality housing protects



residents against injury, disease, and external dangers. The location of housing determines how well residents are connected to communities that offer access to jobs, education, health and social services, and other support systems. Finally, the cost of housing determines the quality and location of housing that residents can secure, as well as the amount of residual capital they have for other essentials”.<sup>1</sup>

In moving forward, the corporation, jointly with the Department of Community Services, is adopting a healthy communities approach, building on the principle that healthy communities reflect a diversity of incomes and housing types. Getting there will require the creation of effective horizontal structures, systems, and processes within the department, as well as across the broader government, to facilitate the generation and implementation of evidence-based joined-up, innovative solutions.

### **3.0 Core Business Areas**

The corporation’s core business functions are to:

- hold and finance provincially owned social housing assets in support of government’s housing programs
- secure and manage funding to support affordable and social housing development
- provide mortgage guarantees and/or loans to qualifying housing projects
- manage the funded reserves associated with provincial housing programs to protect the province from loss.

### **4.0 Planning Context**

The NSHDC, through the Department of Community Services, supports a wide array of housing programs, grants, loans and other services to ensure Nova Scotians have access to safe, appropriate, affordable and sustainable housing.

These housing programs are a major contributor to the safety and economic well-being of Nova Scotians. Recipients include seniors, low-income homeowners and renters, persons with disabilities, housing co-operatives and developers of affordable housing, nursing homes,

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<sup>1</sup> Conference Board of Canada. “Building From the Ground Up: Enhancing Affordable Housing in Canada” March 2010

facilities for disabled persons, and others. The evidence indicates that the need for housing programs is not going to diminish any time in the near future; and in all likelihood will grow.

### **Core Housing Need**

The most recent Statistics Canada data indicates that in 2006, 43,800 households<sup>2</sup>, representing 12.1 percent of all Nova Scotia households, were in core housing need<sup>3</sup>, falling below adequacy, suitability or affordability standards.<sup>4</sup> Approximately 72% of those households lived in Halifax Regional Municipality (HRM), Cape Breton Regional Municipality (CBRM), and the three census metropolitan areas (CMAs) of Kentville, Truro and New Glasgow. The majority of these households are single people living in rental accommodations.

Nova Scotia has the highest average monthly rents among the Atlantic Provinces. Average monthly rents vary significantly from region to region, with Halifax having the highest rents by far. Median household incomes however are below all other Atlantic provinces, and the 2<sup>nd</sup> lowest in Canada.

### **Aging Public Housing Stock**

Nova Scotia has some of the oldest housing stock in the country, with the 2<sup>nd</sup> highest percentage of housing 50 years old or older, just slightly lower than Manitoba. Related to the age of its housing stock, Nova Scotia has the 2<sup>nd</sup> highest percentage of dwellings in need of major repairs among the Atlantic Provinces.<sup>5</sup>

### **Aging and Disabled Populations**

Population projections for Nova Scotia clearly point out that the population is aging. In 2011, about 16% of the population was aged 65 and over. Over the next 20 years, the proportion of

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<sup>2</sup> CMHC, Housing in Canada Online Database

<sup>3</sup> A household is in core housing need if its housing falls below at least one of the adequacy, suitability or affordability standards, and it would *have to spend 30%* (as opposed to choose to spend) or more of its total before-tax income to pay the median rent (including utility costs) of alternative local market housing that meets all three standards.

<sup>4</sup> Core housing need data is derived from census results. 2011 census results will be available in 2011-2012.

<sup>5</sup> Source: Statistics Canada, Cat. No. 97-554-X2006022.

the population aged 65 and over will grow: 20% (1 in 5) by 2018, 25% (1 in 4) by 2026 and just under 30% by 2033.

Nova Scotia has the highest level of self-identified disability in Canada; increasing from 17.1% of the population in 2001 to 20% in 2006. As the population ages, the incidence of disability will likely increase.

### **Concentrated Public Housing Developments**

Nova Scotia, especially HRM, currently has a large number of concentrated public developments, and these housing units frequently cluster low-income residents into discrete developments and neighbourhoods. Research indicates that concentrations of low-income households are strongly linked to poorer education, health, social and economic outcomes.

We have been able through the Affordable Housing Program to offer new housing opportunities throughout Nova Scotia in an integrated way. Typically affordable housing should be a percentage of a building or a neighbourhood.

Additionally, the corporation is well positioned to capitalize and leverage Community Services' strengths and successes, and employ its assets and financial tools to build community-based housing capacity through future mixed income approaches.

## **5.0 Priorities**

### **Priority:      Housing Strategy**

Housing is a key determinant of educational, social, health and economic outcomes. Healthy families, healthy communities are formed around sustainable housing.

While much good work has been done over the course of the last number of decades, many Nova Scotians continue to struggle to find and maintain a home for themselves and their families, and to build equity for a brighter future.

Across the country, provinces are looking at new ways to manage and diversify their approach to public and affordable housing. Healthier, more diverse communities have proven to be successful in removing the stigmas often associated with public and affordable housing, leading to better citizen outcomes.

In 2012-2013, the corporation and the Department of Community Services, in consultation with our housing partners and stakeholders, will develop a Provincial

Housing Strategy. An effective housing strategy can serve as the vehicle to improve not only the quality and affordability of housing, but equally as important, to improve the educational, social, health and economic determinants for individual Nova Scotians, and for the province as a whole.

### **Priority 2 : Establish an Effective Partnerships Model**

The provincial government cannot be the sole source of funding for affordable housing. The corporation can engage and mobilize a group of interested partners around a common set of objectives, and play a leadership role in building effective partnerships with other provinces, municipalities, private sector developers and social enterprise.

In 2012-2013, the corporation will:

- leverage provincial/municipal resources, tools, and assets (including land)
- establish public, private and social enterprise partnerships to support affordable and mixed market development
- investigate creative housing models, such as co-operative/non-profit with mixed-income.

### **Priority 3: Create a Range of Investment Strategies and Financing Tools**

Nova Scotia has an aging public housing stock, and in rural areas aging and inadequate private housing. The corporation has assets of approximately \$1.4 Billion. These assets can be leveraged to support the development of a range of affordability strategies, and mix of related financial tools.

In 2012-2013, the corporation will present options to government with respect to the provision of:

- low-income mortgage, rent supplements, other lease/purchase options
- a portfolio management approach, utilizing market analysis, and predictive housing models to guide investment decisions
- financing to support social enterprise
- co-op home ownership models.

## **Priority 4: Increase Supply of Supportive Housing Options**

Suitable housing, with appropriate supports and programs continues to be challenging for persons with disabilities, people with mental illness, people with chronic substance abuse issues, and seniors. Healthy communities reflect a diversity of incomes and housing types. By seizing market opportunities as they arise, the corporation can support the continued development of healthy communities through the creation of a more diverse, yet integrated and inclusive model of housing options.

In 2012-2013, by leveraging its financial resources, the corporation will:

- increase the number and range of supportive housing units
- increase the number of transitional housing beds for people with multiple barriers
- pilot a supportive housing hub model providing multiple units with shared services.

## 6.0 Budget

The following two tables provide information on the corporation's funding and expenditures.

(\$ thousands)

Nova Scotia Housing Development Corporation Funding			
Funding Source	2011-12 Estimate	2011-12 Forecast	2012-13 Estimate
Revenue from Government Sources	130,430	122,245	101,411
Revenue from Rents	52,787	52,152	52,200
Interest, Revenue from Land Sales and Other Revenue	26,962	28,405	30,334
Total Funding	212,719	202,802	183,945
Nova Scotia Housing Development Corporation Expenditures			
Expenditure Source	2011-12 Estimate	2011-12 Forecast	2012-13 Estimate
Interest on Long Term Debt	48,625	43,578	44,341
Property Management and Operation	52,829	49,991	49,472
Maintenance and Capital Improvements	28,615	29,263	30,624
Housing Renovation and Affordable Housing	18,160	18,660	18,160
Transfer to Housing Services	24,514	17,572	17,228
Amortization of Investment in Social Housing	15,238	17,100	18,900
NS Housing Stimulus Plan *	18,298	13,656	0
Administration Fee and Cost of Land Sold	5,900	12,982	5,220
Total Expenditures	212,179	202,802	183,945

## 7.0 Performance Measures

The following performance measures will be used to help track the corporation's progress towards improving the health and diversity of affordable and public housing.

<b>Key Outcome: To Improve the Health and Diversity of Affordable and Public Housing</b>			
<b>Measure</b>	<b>Data</b>	<b>Target</b>	<b>2012-2013 Strategic Actions</b>
# of new affordable units created as a result of public, private and social development partnerships	Establish 2012-2013 baseline	TBD	Establish public, private and social enterprise partnerships to support mixed market development.  Investigate creative housing models, such as co-operative/non-profit with mixed-income.
# of affordable units created in mixed market developments	Establish 2012-2013 baseline	TBD	Establish mechanisms to encourage housing proposals which attract private developers.  Pilot 2-3 mixed market projects.
# of new supportive housing units created	Establish 2012-2013 baseline	TBD	
# of new transitional housing units for people with multiple barriers	Establish 2012-2013 baseline	TBD	
Amount of financing provided to housing projects	2010/11: \$210 M 2009/10: \$192 M 2008/09: \$59 M 2007/2008: \$67 M	TBD	Provide financing to new and existing housing projects, which includes: <ul style="list-style-type: none"> <li>- the construction of new long-term care beds</li> <li>- the renovation of existing social housing projects</li> <li>- financing to qualified homeowners to purchase modest housing and to renovate or improve the energy efficiency to existing, eligible housing.</li> </ul>