2019 Organization Overview

**Mission**

To expand opportunities that make affordable housing an integral part of building health and sustainable communities in Niagara

**Vision**

That the Niagara community will provide affordable, accessible and quality housing for all residents

- **Empowering Households:** Using a holistic approach, households are assisted in reaching their goals
- **Connecting the Service Delivery Network:** The existing service delivery is strengthened through increased communication with existing partners and new linkages with the private market
- **Moving towards sustainable affordable housing:** Through innovative approaches revenues are increased, assets are leveraged for greater return, and the sustainability of affordable housing is improved
NRH Programs & Services

Levy Funded - Core Programs

- NRH Owned-Units (Public Housing)
- Social Housing Provider Subsidies & Oversight
- Rent Supplement & Housing Allowance Programs
- Centralized Wait List Management
- Community Resource Unit

Off the Levy (Ministry-funded)

- Strong Communities: Rent Supplement Program
- IAH-E / SIF
  - Rent Supplement
  - Housing Allowance
  - Housing First
  - Homeownership Assistance
  - Niagara Renovates
  - New Development Funding (Capital)
2019 Major Budget Drivers

Housing Programs
- Regular Rent Supplement & Housing Allowance Programs
- Provider Subsidies; ongoing oversight of housing providers to ensure budgets are managed
- End of Operating agreements – loss of federal provider units offset by additional rent supplement
- Reserve transfer to support creation of capital repair loan program for housing providers

NRH-Owned Units (Housing Operations)
- Ongoing preventative maintenance & move-out costs
- Onboarding the Carlton Street build into the owned-units portfolio
- Increased total cost of service contracts, specifically grounds costs
- Increased reserve transfer to support capital asset management program
2019 Budget Guidance

Budget Review Committee of the Whole
(CSD 35-2018; July 5, 2018)

1. That the 2019 Department, and ABC Tax Levy budget guidance BE APPROVED as follows:
   1. The target increase for existing services be the 1.5% Core Consumer Price Index and that staff present options to Council to bring the increase to 2% in accordance with Taxpayer Affordability Guidance Policy.
2019 Operating Budget ($Millions)

- Net Expenditure increase of $410,673 (+1.5%) before indirect allocations
- Gross Expenditure increase of $1,042 thousand; offset by an increase in gross revenue of $632 thousand
- Increased staff compliment by 3; driven by proposed program changes including pilot roles in housing programs & community resource unit; addition of permanent full-time Tenant Support Representative in NRH-Owned Units

<table>
<thead>
<tr>
<th>Budget Category</th>
<th>2018 Approved Budget</th>
<th>2019 Proposed Budget</th>
<th>$ Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Expenditure</td>
<td>$55.71</td>
<td>$56.75</td>
<td>$1.04</td>
<td>1.9%</td>
</tr>
<tr>
<td>Gross Revenue</td>
<td>$(28.33)</td>
<td>$(28.96)</td>
<td>$(0.63)</td>
<td>2.2%</td>
</tr>
<tr>
<td>Net Expenditure (Revenue) before indirect allocations</td>
<td>$27.38</td>
<td>$27.79</td>
<td>$0.41</td>
<td>1.5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Staff Compliment</th>
<th>2018 Approved FTE</th>
<th>2019 Proposed FTE</th>
<th># Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-Time Permanent Employees</td>
<td>50</td>
<td>51</td>
<td>1</td>
<td>2.0%</td>
</tr>
<tr>
<td>Full-Time Temporary Employees (Ministry-funded / pilot programs)</td>
<td>7</td>
<td>9</td>
<td>2</td>
<td>28.6%</td>
</tr>
<tr>
<td>Total FTE Count</td>
<td>57</td>
<td>60</td>
<td>3</td>
<td>5.3%</td>
</tr>
</tbody>
</table>
2019 Operating Budget ($Millions)

Where the Money Goes
2019 Services and Programs

- Social Housing Programs $29.6M
- Housing Operations $20.6M
- Affordable Housing Programs $4.8M
- Administration $0.6M
- Community Resource Unit $0.7M
- Housing Access Centre $0.5M

Where the Money Comes From

- Niagara Region $27.8M
- Rent & Miscellaneous $15.2M
- Federal / Provincial Funding $13.8M
2019 Operating Budget

- Increase in Compensation of $353 thousand (7.4%)
  - $237 thousand relating to proposed Program Changes

  Tenant Support Rep (Permanent FTE - Housing Operations)
  - Restructure TSR team to divide annual renewal responsibilities; ongoing maintenance / service requests / work order management
  - Mitigate risks identified in year-end audit (e.g. rent increases & charges)

  Eligibility Review Officer (Temporary FTE – Housing Programs)
  - Extend piloted role to continue identification, investigation, & prevention of suspected fraud / misrepresentation of income
  - Supports transparent, fair, lawful use of housing program budget
  - 2/3rds of investigations to date have confirmed instances of fraud; 1/3rd resulted in preservation of tenancy & eligibility

  Community Program Coordinator (Temporary FTE – 50% Operations; 50% Programs)
  - Support for increasingly vulnerable tenants housed in owned-units portfolio
  - Extend CPC role to provider portfolio; evaluate the demand for this service for provider units

- $77 thousand increase - estimated outcome of Mercer study (2% increase over 2018)
- $34 thousand increase relating to building service maintenance costs
- $5 thousand driven by corporate compensation guidance over 2018; offset by natural role attrition
2019 Operating Budget (continued)

- Increase in Administrative of $123 thousand (23.3%)
  - $55 thousand increased costs relating to memberships (Electrical Safety Authority / ONPHA)
  - $50 thousand increased costs relating to professional services for both Housing Programs & Housing Operations; ongoing maintenance, implementation & update initiatives relating to NRH strategic plan

- Increase in Property Taxes of $39 thousand (0.8%)
  - Driven by inclusion of full Carlton Street occupancy expected in 2019 ($70 thousand)
  - Offset by partial decrease based on 2018 payments and the impact of the expected 2019 increase based on budget guidance

- Decrease in Property & Infrastructure maintenance of $243 thousand (6.2%)
  - Partially offset by increase in responsibility of building maintenance personnel
  - Decrease also supported by lower spending in 2017 & 2018 Trend
2019 Operating Budget (continued)

- Increased cost of Grounds service contracts (e.g. snow removal / grass-cutting) of $689 thousand
  - Costs based on 2018 tender process
  - Explained through service expectation clarifications & increased contractor compensation costs driven by increased minimum wage

- Decrease in utilities of $215 thousand (4%)
  - Based on 2018 payment trends, ongoing electricity rebates, and related Budget Guidance
  - Further savings expected driven by annual capital program (e.g. savings generated by heat control system installations)
  - Participation in Housing Services Corporation natural gas group purchasing program expected to drive further decreases in 2020

- Rent Supplement Regular increased by $514 thousand (16.4%)
  - Includes a 1.8% legislated increase over 2018
  - $72,000 subsidy amount for the expected downtown St. Catharines Bethlehem-Penterra development
  - Incremental subsidy for additional units due to EOA
2019 Operating Budget (continued)

• Overall, decrease of $253 thousand in Ministry-funded IAH-E & SIF operating programs (e.g. rent supplement, housing allowance, homeownership, Niagara Renovates)
  – 100% Ministry-funded; operating budget adjustments expected to reflect any surplus program funding not taken up by programs in 2018, plus any new funding announcements in 2018/2019

• Decrease in Non-profit & Co-op subsidy of $1,585 thousand (7.1%) based on legislated indices & in alignment with 2018 subsidy payments

• Decrease in Federal Program subsidies of $81 thousand (6.4%); driven by EOA

• Decrease to the NRH/LHC-Debenture expense of $96 thousand (-7.1%) due to debt reduction owed to the province as some of the LHC unit agreements expire

• Decrease in other financial expenditures of $41.5 thousand driven by cost savings from shifting to new collection agency; in addition to reduced bad debt costs based on historical write-offs
2019 Operating Budget (continued)

- Increase in transfer to Capital Reserves of $1,866 thousand (479%) from $390 thousand
  - $1,274 thousand restricted transfer to NRH Reserve from Housing Programs to support development of capital program for housing providers (NET NEW)
  - $981 thousand transfer to NRH-Owned Units Reserve; $351 restricted to Carlton / Fitch / Jubilee Drive; $630 to support ongoing funding requirements of owned-units portfolio

- Decrease in Federal Funding of $449 thousand (driven by Service Manager funding schedule) due to decreasing debenture expenses for portion of owned-units & EOA

- Increase in rental revenue of $1,232 thousand (9.3%) based on 2018 actuals; in addition to expected occupancy of Carlton Street build in 2019 ($640 thousand)

- Increase in non-rental revenue stream of $63 thousand (16%)
  - Ongoing revenue sharing agreements (e.g. water tank rental agreement)
  - Estimates for maintenance charges & misrepresentation revenue (historical)
  - Laundry & telecommunication agreements
Opportunities & Risks

Opportunities in 2019 Proposed Budget

1. Capital program for housing providers
2. Expanded rent supplement / housing allowance program; continued support for EOA
3. New Development Housing Allowance Program (e.g. Bethlehem / PennTerra)
4. Capital Asset Management Program (Region / NRH)
5. Completion & Occupancy of Carlton Street build & Roach Street intensification; ongoing new unit development
6. Expanded Community Support
7. Ongoing strategic planning & implementation of process review & initiatives
8. New Ministry Funding Announcement expected in March 2019

Risks in 2019 Proposed Budget

1. Change in Provincial Government – No clear direction announced re: funding
2. Transfer to reserve for annual capital repairs program
3. Budget pressure re: repairs & maintenance / utilities (e.g. impact of weather) / rental revenues
4. Unit supply risks: Loss of existing social housing units (EOA); Lack of available / affordable units in Niagara to maintain/expand rent supplement / housing allowance programs
5. Housing provider mortgage renewals; fluctuation in RGI household incomes & impact on subsidy required