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July 19, 2019

Ann-Marie Norio, Regional Clerk  
Niagara Region  
1815 Sir Isaac Brock Way  
Thorold, ON L2V 4T7

Dear Ms. Norio:

At their July 19, 2019 meeting, the Niagara Regional Housing Board of Directors, approved the following:

1. That Niagara Regional Housing Board of Directors **ENDORSES** a “fully integrated model” as a preferred model for Niagara’s delivery of social housing, over the previously considered “hybrid model” with a target implementation date of January 1, 2020.
2. That Niagara Regional Housing staff, upon approval of this model by Council, are **DIRECTED to INITIATE** implementation plans including a human resource transition plan and draft revisions to legal agreements through a team approach lead by Niagara Regional Housing’s CEO and Niagara Region’s Commissioner of Community Services who will seek input from and provide direction to Niagara Region’s human resources staff and Legal Counsel as well as such other staff as required for the preparation of the required plans, revisions and agreements.
3. That the Human Resources transition plan and form of revised legal documentation be **RETURNED** to the Board of Directors and Council for final approval prior to implementation.

Please provide this letter and report NRH 11-2019 to Council for the August 15, 2019 meeting.

Sincerely,

Mayor Walter Sendzik  
Chair



**REPORT TO:** Board of Directors of Niagara Regional Housing

**SUBJECT:** Recommendations from NRH Senior Management Team  
Regarding Alternative Service Delivery

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## RECOMMENDATION

That the Niagara Regional Housing Board of Directors **RECEIVES** the Recommendations from NRH Senior Management Team Regarding Alternative Service Delivery, attached at Appendix A, for information.

## PURPOSE

This paper represents the perspective of the Niagara Regional Housing (NRH) Senior Management Team regarding the Alternative Service Delivery process to date, the impact on NRH and the potential impact of the provincial governance review on the future of NRH.

## ORIGIN OF REPORT

Brought forward by staff

## Submitted by:



Donna Woiceshyn  
Chief Executive Officer

## Approved by:



Walter Sendzik  
Chair

*This report was prepared by NRH Senior Staff, facilitated by Liz Palmieri consultant.*

**APPENDICES: A**  
Recommendations from NRH Senior Management Team Regarding Alternative  
Service Delivery

## **RECOMMENDATIONS FROM NRH SENIOR MANAGEMENT TEAM REGARDING ALTERNATIVE SERVICE DELIVERY**

### **Rationale for Creating Niagara Regional Housing in 2001**

Niagara Regional Housing was incorporated at the end of 2001. For the purposes of this report, and also, to provide some historical context for our new board members, it is important to understand the context for the creation of NRH.

The Province made the decision to download Social Housing responsibilities to the local municipalities at the same time that they uploaded education from the local municipalities to the Province. Prior to the download, the Niagara Region undertook an extensive community consultation process to determine the best service delivery model. A joint local transfer plan was developed and provided to the Province for devolution. The model described how the administrative and organizational structure would be developed and implemented in order to meet the business practices and processes that were required within the administration of the housing sector. The model took into consideration the following criteria:

- Clear lines of accountability
- Compliance with the Region's corporate structure
- Fiscal responsibility
- Streamlining and harmonizing the accountability and administration throughout the housing sector
- Improvement of overall service to the tenants, providers and ancillary housing services

Participants in the consultative process were given two models to evaluate and overwhelmingly supported the current model governing NRH, especially the nonprofit and co-op housing providers. The following are key elements of the selected model:

- A separate organizational administrative structure reporting to Regional Council through the new corporation to oversee the administration of the housing sector
- Sharing of administrative services between the new corporation and Regional Departments (Finance, Payroll, Legal Services, Information Technology)



## **17 Years of Success – What We’ve Accomplished**

Since 2002, NRH has been dedicated to providing and advocating for quality Community Housing (formerly “Affordable Housing”) in Niagara through a combination of programs and services.<sup>1</sup>

Here is our success by the numbers:

### *NRH-owned Communities:*

NRH operates and manages more than 2,800 *Public Housing Units* in high-rise and low-rise apartment buildings, townhouses and detached houses for families, adults and seniors. Tenants pay Rent-Geared-to-Income (RGI) which is 30% of their household income. The Ernst and Young report commissioned for the Alternative Service Delivery Review (ASDR) noted that the NRH owned units are in good condition. NRH provides capital repair/ replacement programs in all public housing units to ensure the long term performance and sustainability of the owned housing stock. As a result, the entire housing stock has been maintained at the highest level possible and was rated as having an “above average Facility Condition Index (FCI)” by Ernst and Young.

In addition to the built environment, NRH partners with community agencies to enrich the lives of tenants, increase community safety and prevent unnecessary evictions. The Community Resource Unit (CRU) supports educational and life skills programs and assistance, mediation and conflict resolution, crisis management and community support information to help maintain successful tenancies. With the aid of our partners, health programs, afterschool programs, aging at home assistance and skill development is delivered within NRH buildings. Collaborative efforts to maintain the health of our tenants is essential to preserving tenancies and quality of life in our communities.

### *Housing Providers*

NRH provides legislative oversight to 61 *Non-Profit and Co-operative Housing Providers* across Niagara. These non-profit housing providers own and manage more than 4,300 rental units that are a mix of RGI and market rents. Since incorporation, NRH has allocated \$26,468,000 in capital funding under various programs to housing providers to offset their inadequate reserves and significant capital needs. When providers find themselves in difficulty, NRH provides resources and guidance to

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<sup>1</sup> The 2019 Community Housing Renewal Strategy Province defines Community Housing as, “housing owned and operated by non-profit, co-operatives and municipal governments or district social services administration boards” including “subsidized or low-end-of market rents”

ensure their ongoing viability. NRH has also acquired an at-risk federal provider, Broadoak in Niagara Falls, who sought divestment of their asset. This decision was made to preserve the valuable housing stock in Niagara. As a result, the Region now owns an additional \$12.6 million asset with a modest contribution of approximately \$1.1 million.

NRH also offers resources to establish future needs of housing providers such as Building Condition Assessments and Designated Substance Surveys. With an aim to ensure sustainability and viability, NRH provides ongoing support and guidance (both operating and capital) to providers as the corporation recognizes and takes responsibility for the current and future need to keep tenants housed in safe and affordable housing in Niagara.

NRH relies heavily on the partnership and services of many non-profit and Co-op housing providers. With the intent to provide support, garner input and increased communication, the Provider Advisory Committee (PAC) was established. The PAC meets several times per year to give feedback, raise issues and learn about best practices in the industry. In addition, Niagara Region Housing provides two forums per year for education, networking and collaboration opportunities. The engagement of housing providers in Niagara is ultimately aimed at ensuring good service, safe, well maintained communities and support to providers so that they can continue to provide affordable housing in our community.

### *Housing Programs*

Through the *NRH Rent Supplement and Housing Allowance Programs*, rent is subsidized in privately owned buildings. NRH has agreements with more than 217 private landlords for more than 1,400 units. Roughly half of the agreements are permanent RGI recipients and the other half are Housing Allowance subsidies to applicants currently on the waiting list. Housing Allowance is intended to provide relief to households currently waiting for Community Housing Units. Through these programs, in collaboration with community minded landlords, NRH is able to provide safe, suitable and affordable housing. It is difficult to predict the living circumstances of these individuals without this support, but surely, housing would be precarious for more families across Niagara.

In partnership with community agencies, the *Housing First Program* helps people move quickly from homelessness to their own home. NRH provides the rent subsidies, while Community Services funds the supports to help homeless individuals and families find and keep housing. Since the program was created in 2012, 381 Housing First Units have been created.



*New Development* - 709 units have been created since 2004, accessing more than \$58,000,000 in federal and provincial funding. Acquiring these dollars meant managing the RFP process, consultation with private developers, non-profits, agencies and Niagara Regional Housing. A development committee, established by NRH in conjunction with the Region, has the responsibility of allocating the development funds, working on the execution of and decision making for all new development projects. The development committee also engages the surrounding neighbours and impacted community members related to specific projects. Significant investments have been made to continually add new stock across Niagara and develop best practices with the aim to drive development for low to modest income families in the region.

In addition to rental Community Housing, 371 households were granted a forgivable loan to help buy their first home through NRH's *Welcome Home Niagara Program*, which launched in 2007. This program gives low to mid-income households downpayment assistance to help them move through the housing continuum into homeownership, thus freeing up rental units for those in need.

Through the *Niagara Renovates Program*, NRH also helps low to mid-income earners remain in their own homes. Since 2012, 406 homeowners have received assistance with major repairs and accessibility modifications.

### **Recognizing Our Staff**

The successful delivery of our programs and services is accomplished through a dedicated, knowledgeable and committed staff team. There are currently 60 NRH employees, in addition to Regional Shared Services Staff. Working in the Community Housing sector can be challenging and ever-changing, particularly in light of the 50% growth in the wait list since 2002 and the increasingly vulnerable populations NRH serves. In spite of these challenges, 47% of our employees have worked with NRH for more than 10 years. This speaks to our organizational culture, staff commitment and dedication to our work providing affordable housing in Niagara.

### **Overcoming Adversity**

The last 17 years have not been without adversity. The reasons for this are many and beyond NRH's control. While more Community Housing is part of the solution, the costs are staggering. It would cost \$6.7 million just to pay for rent-geared-to-income supplements for one-sixth of those on the waiting list. This would permanently increase the Regional property tax by 2%. It would cost about \$220 million to build 1,000 units to house people on the wait list – pushing the regional property tax up by approximately 2.5% per year to carry the \$8.8 million in debt over 25 years.



The need to provide funding for Community Housing has been a prominent component in the platforms and programs of both the federal and provincial governments, especially given the increase in housing costs across the country. However, the reality is that there are not enough dollars set aside to have a significant impact on the growing affordable housing wait lists.

NRH has faced significant leadership turnover and several organizational reviews, which required considerable staff resources. These changes in leadership over the past several years have been a challenge with respect to relationships with, and expectations of, the Board, the staff, our housing providers and community partners. In spite of this adversity, great strides have been made toward establishing a stable workforce and positive organizational culture.

Long-term planning has been affected by the ongoing challenges faced by NRH. Strategic planning development began in the summer of 2018, with a view to cover all programs and services within the mandate of NRH. The direction from Regional Council with respect to ASD had a significant effect on the planning process. In February, the Board agreed to continue developing the plan for the owned-units division, leaving the future strategy and plans for the rest of the programs NRH administers in limbo until a decision is made on the ASD. It is anticipated that the Board will approve the Housing Operations (owned-units) division strategic plan at its July meeting. That said, all divisions of NRH continue to move forward and realize successes in delivering programs without a Strategic Plan as guidance.

NRH's governance has also been in flux for many years. NRH operated with a 13 member Board, then increased to a 14 person Board of Directors. In recent times, this proved to be a challenge resulting in a negative impact on NRH's reputation in the community. At the behest of Regional Council, a governance review was conducted in 2017/18 and resulted in the new board structure of 9 members comprised of 5 Regional Councilors and 4 community members.

The 2018 Ernst & Young Report, commissioned by the Region of Niagara, recommended a change in the governance and provision of Community Housing in Niagara. Unlike the community consultation that was undertaken in 2001 to create a Made-in-Niagara service delivery model, there was no public consultation undertaken for the Ernst & Young Report. Based on this report, the Proposed Hybrid Model within the Alternate Service Delivery (ASD) model was approved in principle by Regional Council in October 2018. The development of a proposed implementation plan for ASD has led to an increase in stress and uncertainty amongst NRH staff, especially given the often confidential nature of the discussions.

In addition to the review of the ASD model, the Province has mandated a municipal governance review for many municipalities, including Niagara. The results of the

review are expected in early summer and could have an impact on the outcome of the ASD review.

## **Preferred Business Model**

The Made-in-Niagara unique governance model established in 2001 for NRH was based on broad community consultation and has been successful. While the 2018 Ernst & Young report identified some current operational challenges, there was no opportunity to address the challenges for service improvements or changes through any model. No consideration was given to any model outside the Ernst & Young hybrid recommendation. However, throughout implementation discussions with staff, the hybrid model emerged as the one most likely to disconnect the social infrastructure from the property management function and put tenants most at risk. Ernst and Young refers to the “Real Estate” function of NRH, which does not exist.

With system improvements, the Senior Management Team would prefer remaining with the current business model to fulfill our vision “*Niagara is a community where everyone has a home*”, and our mission, “*to provide and develop quality affordable housing opportunities for individuals and families while promoting self-sufficiency and neighbourhood revitalization*”.

**However, given the evolving needs of clients, the current political environment, the challenges related to privacy, funding changes and the inevitability of future reviews, the NRH Senior Team is recommending full integration into Niagara Region’s Community Services Department.** This model will facilitate the adoption of Human Services Integration, a systems approach to housing and homelessness and preserve all Community Housing assets.

## **Recommendations from Senior Management Team**

SMT makes the following recommendations through the CEO to the Board of Niagara Regional Housing, more specifically that:

1. The NRH Senior Team is recommending full integration into Niagara Region’s Community Services Department. This model will facilitate the adoption of Human Services Integration, a systems approach to housing and homelessness and preserve all Community Housing assets.
2. Given the timeline for the Provincial municipal governance review, consideration should be given to its potential impact on the implementation of the ASD.



3. NRH's SMT does not recommend the hybrid model. Splitting up the Community Housing assets and services into two separate legal entities will negatively impact service to NRH tenants by separating the social infrastructure function of Community Housing from the property management function.
4. In order to ensure that the change does not affect staff morale, priority must be given to supporting the current compensation levels of existing staff complement. If the individual incumbent's salary is greater than the job rate of a lower salary grade (for both non-union and union depending on where they fall) the salary will be red-circled or frozen indefinitely until such a time as the salary falls within the lower salary grade.