



2020 OPERATING BUDGET

November 21, 2019

What Does NRH Do?

- ▶ NRH operates & manages 2,850 Public Housing units
- ▶ Community Programs includes tenant support, eviction prevention and community engagement in Niagara Regional Housing (NRH) Public Housing communities. CPCs link tenants with over 40 community partners to maintain successful tenancies and improve the quality of life in NRH communities. (eg. Tenant meetings, after school programs, social groups, summer camps, workshops)
- ▶ Provide support and legislative direction to 60 Housing Providers
- ▶ Provide access to housing through the centralized wait list
- ▶ Administers rent supplement program through agreements with landlords
- ▶ Administers housing allowance, portable rent benefits and housing first to assist applicants with rent while waiting for RGI
- ▶ Administers Niagara Renovates program to assist homeowners & landlords with repair/modifications needed to the home
- ▶ Administers Welcome Home Niagara program which assists with down payment to low to moderate income renters to buy a new home
- ▶ Increase access to affordable rental housing through new development

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

Ministry Funded Programs

- ▶ Strong Communities – Rent Supplement Program
- ▶ IAH-E / SIF / OPHI / COCHI
 - ❑ Rent Supplement
 - ❑ Housing Allowance
 - ❑ Housing First
 - ❑ Homeownership Assistance
 - ❑ Niagara Renovates
 - ❑ New Development Funding (Capital)
 - ❑ Support Services

2020 Budget Guidance

Council Amended Recommendation (CSD 40-2019; June 20, 2019)

- ▶ That the 2020 base budget for existing services **BE PREPARED** with consideration of the Core Consumer Price Index as follows:
 - ❑ 2.0% for Regional Departments
 - ❑ 2.0% for Agencies, Boards, and Commissions
 - ❑ 2.0% for Waste Management

2020 Budget Main Drivers

Housing Programs

- ▶ Provider subsidies – ongoing oversight of housing providers to ensure budgets are managed (\$435 thousand decrease)
- ▶ Rent Supplement Regular (\$332 thousand decrease)
- ▶ Reserve transfer to support programs for housing providers (\$267 thousand increase)

NRH Owned-Units (Housing Operations)

- ▶ Preventative pest maintenance (\$264 thousand increase)
- ▶ Repairs and maintenance (\$366 thousand increase)
- ▶ Increased property taxes - Carlton, Thorold & Welland properties purchased in 2019 (\$264 thousand increase)
- ▶ Reserve transfer to support capital asset management program (\$561 thousand increase)
- ▶ Rental revenues (\$641 thousand increase)

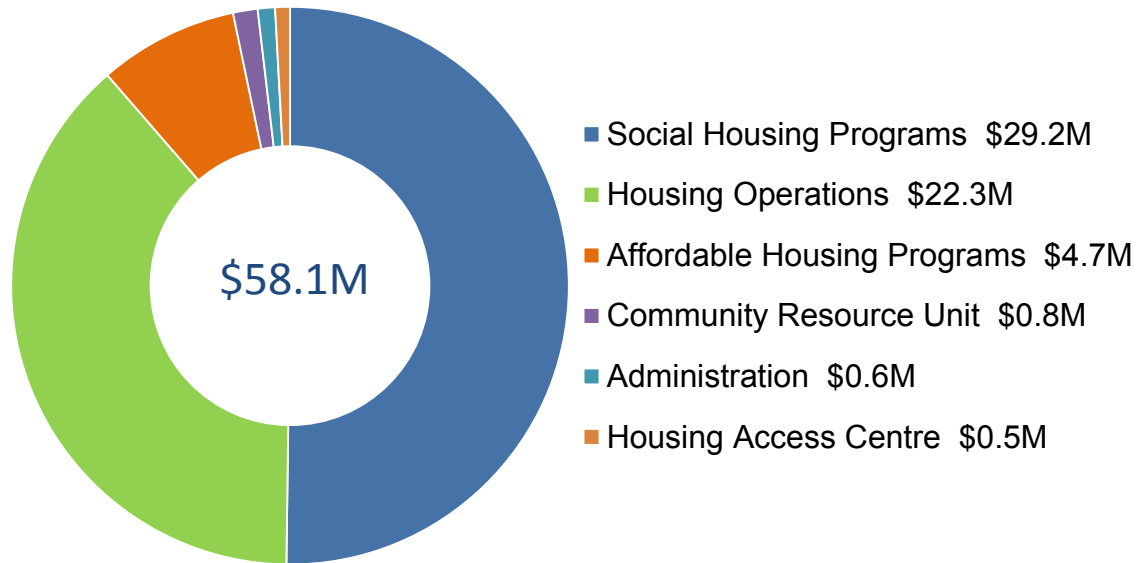
2020 Operating Budget (\$Millions)

	2019 Approved Budget	2020 Proposed Budget	\$ Change	% Change
Gross Expenditure	\$ 56.82	\$ 58.13	\$ 1.31	2.3%
Gross Revenue	\$ (29.03)	\$ (29.78)	\$ (0.76)	2.6%
Net Expenditure (Revenue) before indirect allocations	\$ 27.79	\$ 28.35	\$ 0.56	2.0%
Staff Compliment	2019 Approved FTE	2020 Proposed FTE	# Change	% Change
Full-Time Permanent Employees	51	51	0	0.0%
Full-Time Temporary Employees (Ministry-funded / pilot programs)	9	9	0	0.0%
Total FTE Count	60	60	0	0.0%

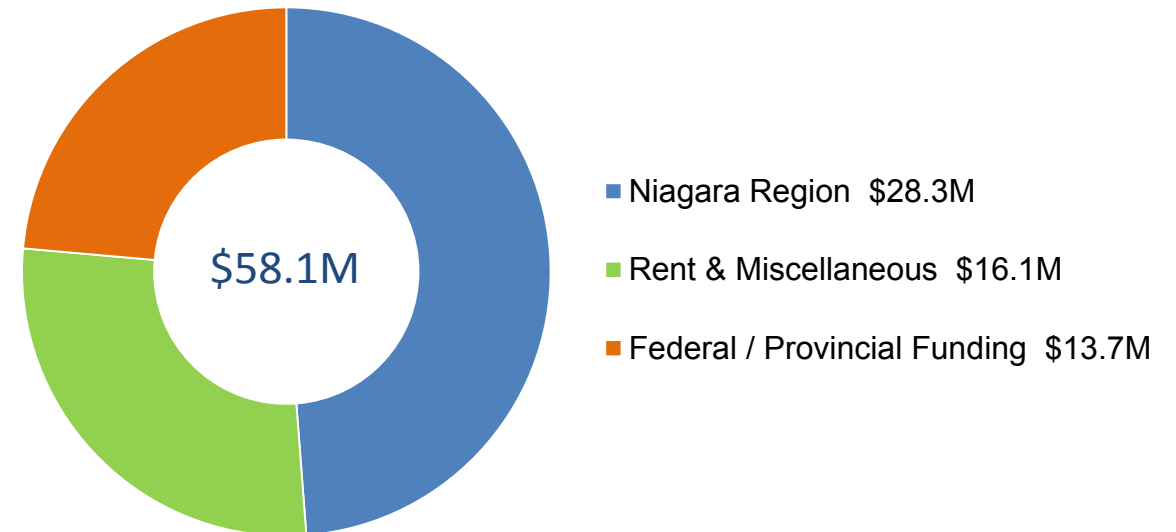
- ▶ Net expenditure increase of **\$556 thousand (+2.0%)** before indirect allocations
- ▶ Gross expenditure increase of **\$1.3 million**; offset by an increase in gross revenues of **\$756 thousand**
- ▶ Staff compliment remains neutral for 2020

2020 Operating Budget (\$Millions) - Continued

Where the Money Goes (Gross Expenditures)



Where the Money Comes From



2020 Operating Budget Analysis

- ▶ Increase in Compensation of **\$110 thousand (2.2%)**
 - ❑ driven by corporate compensation guidance and benefit related costs
- ▶ Increase in Occupancy and Infrastructure of **\$1.2 million (8.4%)**
 - ❑ **\$366 thousand** driven by an increase in repairs and maintenance costs
 - ❑ **\$265 thousand** increase for pest control costs to include preventative maintenance
 - ❑ **\$264 thousand** related to an increase in property taxes (includes new Carlton Street & 2019 properties purchased in Thorold & Welland)
 - ❑ **\$230 thousand** increase to align with 2020 service contracts (includes Carlton & 2019 properties purchased in Thorold) – costs offset by increase in revenues

2020 Operating Budget Analysis - Continued

9

- ▶ Decrease in Community Assistance of **\$595 thousand (1.9%)**
 - ❑ **\$332 thousand** decrease in levy funded rent supplement regular due to decline in RGI subsidy to landlords
 - ❑ **\$435 thousand** decrease in Non Profit and Co-op Provider subsidy to align with provider trends relating to RGI subsidy
 - ❑ **\$117 thousand** decrease in Federal Provider Subsidies due to end of operating agreements (EOA)
 - ❑ **\$146 thousand** increase in housing allowance and landlord engagement

2020 Operating Budget Analysis - Continued

10

- ▶ Decrease in Financial Expenditures of **\$258 thousand (11.6%)**
 - ❑ **\$368 thousand** decrease in provincial debenture payments due to a reduction of debt owed to the province as 4 LHC agreements have expired
 - ❑ **\$106 thousand** increase in bad debt costs due to an internal review on tenant arrears owed to NRH
- ▶ Increase in transfer to Reserves of **\$827 thousand (36.7%)**
 - ❑ **\$267 thousand** increased transfer to NRH reserve from Housing Programs to support programs for housing providers (total transfer of \$1.5 million)
 - ❑ **\$561 thousand** increased transfer to NRH Owned-Units reserve to support capital improvements required on owned-units - \$242 thousand restricted for 527 Carlton, Fitch Street East and Jubilee Drive (total transfer of \$1.5 million)
 - ❑ Increase to reserve supported by Niagara's 10-year Housing and Homelessness Action Plan report COM 40-2019

2020 Operating Budget Analysis - Continued

11

- ▶ Decrease in Federal & Provincial Grants of **\$67 thousand (0.5%)**
 - ❑ Driven by Service Manager federal funding schedule due to EOA
- ▶ Increase in Other Revenue of **\$818 thousand (5.4%)**
 - ❑ **\$642 thousand** increase in rental revenue due to full year of Carlton & Thorold properties – based on current trends
 - ❑ **\$200 thousand** increase from revolving loan to fund homeownership and renovate programs

Budget Summary

Council Strategic Priority 2: Healthy and Vibrant Community

Objective 2.3: Addressing Affordable Housing Needs

- ▶ Retain, protect and increase the **supply of affordable housing stock** to provide a broad range of housing to meet the needs of the community
- ▶ **Supporting clients through the stages of the housing continuum**, towards more stable and permanent housing

Housing & Homelessness Action Plan:

- Goal 1: House People Who Do Not Have a Home
- Goal 2: Help People to Retain a Home
- Goal 3: Increase Housing Options and Opportunities for Low and Medium Income Households
- Goal 4: Build Capacity and Improve the Effectiveness and Efficiency of the Housing and Homelessness System

Budget Summary - Continued

- ▶ Partnerships with Niagara Region
 - ▶ Affordable Housing Steering committee
 - ▶ RFP for development
- ▶ Redevelopment of current stock
 - ▶ Budget supports the operating costs and revenues of the Thorold properties purchased in 2019 & intensification in Welland which increases housing supply
- ▶ Feasibility Study
- ▶ Ready/Set/Build Workshops with Providers
- ▶ Living wage Requirements
- ▶ Repairs & Maintenance of NRH owned-units
- ▶ Inclusion of full year operating costs for Carlton street and Thorold properties

**Housing & Homelessness
Action Plan: support
increasing and maintaining
available housing stock in
Niagara**

Budget Summary - Continued

- ▶ Subsidy for 60 Non-Profit and Cooperative housing providers
- ▶ Assistance to housing providers with funding applications for new development
- ▶ 15 potential low to moderate income earners will receive 5% down payment assistance
- ▶ Support to five Habitat for Humanity builds
- ▶ Support to 35 low income homeowners for accessibility and emergency repairs – allows them to remain in their own home
- ▶ Rent Supplement Program includes subsidy for New Bethlehem Housing Build
- ▶ Support 740 housing applicants with a housing allowance
- ▶ Additional CPC remains in current budget to provide support to housing providers

Initiatives above align with HHAP action items which support long-term housing stability for households at risk of homelessness and prevent loss of current community housing stock

Budget Summary - Continued

527 Carlton Street – St. Catharines



Roach Street - Welland



Thank You!

Donna Woiceshyn, CEO

Questions?

2019-2020 Forecasted Reserve Summary

17

Description	Balances at December 31, 2018	2019 Year-to-date		Balance at September 30, 2019	2019 Forecast		Forecasted Balance at December 31, 2019	2020 Forecasted		Estimated Balance at December 31, 2020
		Net Transfers from (to) Operating	2019 Year-to-date Capital Transfers		Net Transfers Forecast from (to) Operating	2019 Forecasted Capital Transfers		Net Transfers from (to) Operating*	2020 Forecasted Capital Transfers *	
NRH Owned Units Public/Local Housing Corp:										
Jubilee/Broad oak	215,569	54,000	-	269,569	18,000		287,569	72,000		359,569
Fitch Street	261,040	66,750	-	327,790	22,250		350,040	89,000		439,040
Carlton	-	157,500	-	157,500	52,500		210,000	81,000		291,000
Other Owned Units **	3,644,207	457,817	(794,555)	3,307,469	1,052,606	700,000	5,060,075	1,300,000	(2,498,395)	3,861,680
NRH Owned Units Public/Local Housing Corp TOTAL	4,120,816	736,067	(794,555)	4,062,328	1,145,356	700,000	5,907,684	1,542,000	(2,498,395)	4,951,289
Niagara Regional Housing:										
Emergency Capital Funding for Housing Providers	1,924,871	955,798	-	2,880,669	318,599		3,199,268	1,540,927		4,740,195
Title Normalization for NRH Owned Units	712,381	-	-	712,381			712,381			712,381
New Initiatives, other social housing purposes and any new deposits are added to this category	3,403,047	-	(410,415)	2,992,632	-	-	2,992,632	-	(2,290,000)	702,632
Niagara Regional Housing TOTAL	6,040,299	955,798	(410,415)	6,585,682	318,599	-	6,904,281	1,540,927	(2,290,000)	6,155,208
Total NRH Capital Reserves	\$ 10,161,115	\$ 1,691,865	\$ (1,204,970)	\$ 10,648,010	\$ 1,463,955	\$ 700,000	\$ 12,811,965	\$ 3,082,927	\$ (4,788,395)	\$ 11,106,497
NRH Rent Supplement:	278,301	(9,000)	-	269,301	(3,000)		266,301	(17,000)		249,301
NRH Stabilization Reserves TOTAL	\$ 278,301	\$ (9,000)	\$ -	\$ 269,301	\$ (3,000)	\$ -	\$ 266,301	\$ (17,000)	\$ -	\$ 249,301
NRH Employee Future Benefits:	792,733	-	-	792,733	-	-	792,733	-	-	792,733
NRH Future Liability Reserves TOTAL	\$ 792,733	\$ -	\$ -	\$ 792,733	\$ -	\$ -	\$ 792,733	\$ -	\$ -	\$ 792,733
Total	\$ 11,232,149	\$ 1,682,865	\$ (1,204,970)	\$ 11,710,044	\$ 1,460,955	\$ 700,000	\$ 13,870,999	\$ 3,065,927	\$ (4,788,395)	\$ 12,148,531

* 2020 Forecasting Capital and Operating Transfers are based on proposed 2020 Capital & Operating Budgets

** Net operating transfers includes \$900,000 transfer of 2019 budget to capital project per approved report for Hawkins development. 2019 forecasted capital transfers includes an estimated \$700,000 transfer back to reserve from Carlton Street Development.

Draft ASD Budget Comparison – For Discussion Only

18

	2020	=	NRH Owned Units - NRH Corporation	+	NRH Programs - Division of Community Services
	Budget Total		Budget Total		Budget Total
Compensation	5,214,710		0		5,214,710
Administrative	646,698		100,300		546,398
Operational & Supply	70,000		0		70,000
Occupancy & Infrastructure	15,849,805		15,849,805		0
Equipment, Vehicles, Technology	245,800		106,800		139,000
Community Assistance	30,984,668		0		30,984,668
Financial Expenditures	1,966,966		1,966,966		0
Transfers To Funds	3,082,927		1,542,000		1,540,927
Allocation Between Departments	65,480		0		65,480
Gross Expenditure Subtotal	58,127,054		19,565,871		38,561,183
Federal & Provincial Grants	(13,713,766)		(1,592,579)		(12,121,187)
Other Revenue	(16,051,611)		(15,706,611)		(345,000)
Transfers From Funds	(17,000)		0		(17,000)
Gross Revenue Subtotal	(29,782,377)		(17,299,190)		(12,483,187)
Net Expenditure (revenue) before indirect allocations	28,344,677		2,266,681		26,077,996
Indirect Allocation	2,037,767		1,239,039		798,728
Capital Financing Allocation	6,107,426		5,979,310		128,116
Management Fee Allocation	0		3,084,145		(3,084,145)
Allocation Subtotal	8,145,193		10,302,494		(2,157,301)
Net Expenditure (revenue) after indirect allocations	36,489,870		12,569,175		23,920,695

Analysis of Budget Allocation

- Compensation – All employees will become Niagara Regional employees
- Occupancy & Infrastructure – R&M of Owned Units
- Community Assistance – subsidy related programs
- Federal & Provincial grants – Revenue for owned units is based on formula allocation – funding ends 2026
- Indirect / Capital Financing allocations – Based on cost drivers related to NRH and debt costs for Owned Units
- Management Fee – Compensation related to staff directly involved with Owned-units (100% of Operations Manager and staff; Portion of time for CEO, Access Team, Community Resource Unit)