

Organizational Structure

Our Mandate: The British Columbia Housing Management Commission (BC Housing) was created in 1967 through an Order-in-Council under the *Housing Act* to fulfill the government's commitment to the development, management and administration of subsidized housing.



OUR VISION, MISSION AND VALUES

Our Vision: Housing solutions for healthier futures.

Our Mission: Creating the best system of housing and support for vulnerable British Columbians.

Our Core Values: The following values are reflected in all aspects of our performance. We believe that each person at BC Housing has a role to play in integrating these values into our day-to-day activities and ensuring our success as an organization in delivering our mandate.

Integrity: We are open, fair and honest in our decisions and interactions with clients, government, the public and each other.

Respect: We treat all people with respect and dignity. BC Housing respects community leadership and relies on local expertise to find solutions to serve those in need.

Commitment: We are committed to making a positive difference in the lives of others by ensuring that BC Housing employees are professional and engaged.

Service: We provide accessible, equitable and responsive service to our clients, housing partners and colleagues by responding to their individual needs.

Accountability: We are conscious of how we spend taxpayers' dollars. We work to ensure accountability to clients, government and the public through effective and efficient delivery of programs and services.

Governance

Board of Commissioners

BC Housing is responsible to the Minister of Forests and Range and Minister Responsible for Housing through a Board of Commissioners. The government appoints the board to oversee policy-making for the organization and, in cooperation with senior management, to set the strategic direction. The board also monitors performance based on the Province's planning and reporting principles. The board delegates responsibility for the day-to-day leadership and management to the Chief Executive Officer.

The Board incorporates best practices into its governance procedures as guided by the *Best Practice Guidelines on Governance and Disclosure for Public Sector Organizations*. As requested in the guidelines, BC Housing's disclosure is available on the company's website at www.bchousing.org.

Standing Committees of the Board of Commissioners

The following three standing committees support the role of the Board of Commissioners in fulfilling its obligations and oversight responsibilities related to audit and risk management, governance and human resources.

1. Audit and Risk Management Committee

The purpose of the Committee is to ensure that the audit process, financial reporting, accounting systems, management plans and budgets, and the system of corporate controls and risk management are reliable, efficient and effective.

2. Corporate Governance Committee

The purpose of the Committee is to ensure that BC Housing develops and implements an effective approach to corporate governance. This enables the business and affairs of BC Housing to be carried out, directed and managed with the objective of enhancing value to government and the public.

3. Human Resources Committee

The purpose of the Committee is to provide a focus on senior management human resource and compensation issues.

Code of Conduct

The Board of Commissioners adheres to the following standards of conduct when exercising its powers and performing the functions of the organization:

- Act honestly, in good faith and in the best interests of BC Housing;
- Exercise care, skill and diligence in decision making; and,
- Follow ethical standards in order to avoid real or apparent conflict of interest between commissioners' private interests and the interests of BC Housing.

The Standards of Conduct guide the conduct for the board, employees, consultants and contractors and suppliers. The code is also available on BC Housing's website at www.bchousing.org.

Organizational Chart

The following chart highlights BC Housing’s key service areas and the responsibilities and accountabilities in each area. There are 420 full-time-equivalent staff employed across the organization.



RELATIONSHIP TO THE PROVINCIAL RENTAL HOUSING CORPORATION

The Provincial Rental Housing Corporation (PRHC) was incorporated in 1973 under the Business Corporations Act and exists solely as BC Housing’s land-holding company. It holds provincially owned social housing properties, and leases residential properties to non-profit societies and cooperatives. As of March 31, 2007, PRHC held properties with an original cost of over \$550 million. The Canada–B.C. Social Housing Agreement

resulted in a significant increase in the Provincial Rental Housing Corporation’s investment in properties this year. This agreement transferred CMHC’s 75% ownership interest in the section 79 public housing projects and the Canada Mortgage and Housing Corporation’s 100% ownership of rural and native homes. (See the Management Discussion and Analysis on page 34 for additional details.)

The Minister Responsible for Housing is the sole shareholder of PRHC. Because of its

relationship with BC Housing, PRHC is administered by BC Housing. To ensure the appropriate governance linkage between the two entities, senior management of BC Housing serves as PRHC’s Directors. PRHC does not employ any staff.

The financial statements for PRHC can be found on page 52 of this report.

The Housing System

Even with the rising cost of home ownership and renting in our larger urban centres in the past few years, the private market is meeting the majority of housing needs for B.C.'s population. Within this context, government's role is to help ensure that the housing market functions effectively. This means the legislative and regulatory frameworks for building safety balance the needs of the housing construction industry with consumer protection for home buyers; landlords and tenants understand their rights and responsibilities and have access to dispute-resolution services; and British

Columbians have a range of housing options to choose from that are affordable for people with a broad range of incomes.

There are some households, however, which are unable to find suitable housing in the private market because of a combination of factors. In many cases, households spending 50 per cent or more of their income on rent are considered to be in the worst case need, and at risk of homelessness. Government-assisted housing in British Columbia is administered by BC Housing and targeted to lower-income households,

many of whom have complex housing and health needs. Providing assistance to those in crisis is fundamental to our programs and services.

The map below shows BC Housing's service regions. Using 2001 Census data, the information below shows the general distribution of approximately 69,000 households paying 50 per cent or more of their income on rent and those assisted through subsidized housing.



VANCOUVER COASTAL REGION	
Total number of households ¹	380,770
Households spending > 50% of their income on rent	23,000
Households assisted through subsidized housing	28,595
FRASER REGION	
Total number of households ¹	472,485
Households spending > 50% of their income on rent	19,200
Households assisted through subsidized housing	22,594
INTERIOR	
Total number of households ¹	291,125
Households spending > 50% of their income on rent	12,000
Households assisted through subsidized housing	11,875
NORTH	
Total number of households ¹	93,055
Households spending > 50% of their income on rent	4,000
Households assisted through subsidized housing	4,433
VANCOUVER ISLAND	
Total number of households ¹	225,850
Households spending > 50% of their income on rent	11,000
Households assisted through subsidized housing	13,229

¹Based on 2001 Census data
(Note: 2006 Census data will be available in 2008.)

Who We Serve

In 2006/07, government-assisted housing helped 80,726 households across the province, with the majority of this housing targeted to B.C.'s vulnerable citizens. In order to help people move along the continuum and out of emergency or transitional situations (i.e. homeless) to more stable situations (i.e. housed), a combination of housing and supports is needed. Affordable housing is a bridge that allows people to achieve greater stability in their lives and become more capable of moving away from government income or housing assistance.

INDIVIDUALS WHO ARE HOMELESS

With a growing homeless population and range of contributing factors, new thinking is needed. The 2006 Provincial Housing Strategy, *Housing Matters BC*, marks a new direction in how the province is addressing homelessness.

The Provincial Homelessness Initiative will continue to ensure that homeless individuals have access to stable housing with integrated support services (at least 1,462 new units will be created by 2009/10). The Emergency Shelter Program will continue to serve as a necessary linkage for seamlessly moving homeless people from emergency shelters to housing with the appropriate supports to help them achieve greater self-sufficiency. Homeless Outreach Teams will help homeless individuals in more than 18 different communities access these services in their time of need. In 2006/07, BC Housing provided \$108.8 million to shelter providers and non-profit housing societies to assist more than 5,101 homeless individuals on any given night of the year.

Individuals who are Homeless

Dan and Elene met six years ago at an emergency shelter and had turned their lives around when circumstances beyond their control left them homeless again. With nowhere else to go, the couple was able to stay at Hyland House in Surrey, an emergency shelter funded by BC Housing.

"Without this place, we'd be staying somewhere very scary," said seven-month pregnant Elene. Dan has been accepted for a 17-week course to train as a heavy machine operator, and the couple is looking forward to finding a new home soon. "We're trying to get our lives together and get organized now," he said.



FRAIL SENIORS AND INDIVIDUALS WITH SPECIAL NEEDS

The number of senior-led households is expected to increase from 246,000 in 2001 to over 652,000 by 2031.¹ These demographic changes are putting pressure on social housing buildings – where over 15,000 seniors and individuals with special needs live. Some seniors may need financial assistance; others may also require health support as they age in place.

For many British Columbians with special needs, it is not enough that their housing is affordable. Our vulnerable citizens need a range of support services to help them move to more stable lives, and supportive housing allows them to live independently. One of the goals of the Provincial Housing Strategy, *Housing Matters BC*, is to ensure that B.C.'s vulnerable citizens receive priority assistance. People who require special-needs housing include those with severe physical disabilities, chronic mental illness, those living with HIV/AIDS, drug and alcohol dependencies and women and children fleeing abusive situations.

In 2006/07, BC Housing spent \$106.2 million to assist approximately 9,314 individuals with special needs and 5,731 frail seniors.

¹ BC Stats, P.E.O.P.L.E. Projections 31.

Frail Seniors

The Guru Nanak Niwas Assisted Living development has 72 units of assisted living designed for South Asian seniors, a first for British Columbia. Saroj Sood, a resident at the development, enjoys a living environment that takes into account specific language, cultural and food needs. She is pictured here speaking at the development's opening.

Individuals with Special Needs

Phoenix Centre is a new integrated addictions services centre in Surrey offering a continuum of supports for individuals recovering from addictions and mental illness. This \$10.9-million centre, funded under the Provincial Homelessness Initiative, was officially opened by Premier Gordon Campbell in April 2007.



Who We Serve (continued)

ABORIGINAL INDIVIDUALS AND FAMILIES

More than 28 per cent of off-reserve Aboriginal households are in core housing need compared to 15.8 per cent for all non-Aboriginal households. The Provincial Housing Strategy addresses this discrepancy by earmarking funds to build housing for Aboriginal people who are homeless and through the transfer of administration responsibility of Aboriginal subsidized housing to the Aboriginal Housing Management Association. This year, BC Housing spent \$43.3 million to assist 3,358 Aboriginal families and individuals.

LOW-INCOME SENIORS AND FAMILIES

Approximately 69,000 households in British Columbia are unable to find housing that is suitable in size and in good repair without spending 50 per cent or more of their income on rent. Adding to this challenge is the extremely low vacancy rate in many urban areas.

For over 25 years, the Shelter Aid for Elderly Renters (SAFER) program has provided assistance for low-income seniors. The budget for this program was doubled in 2005. A similar program for low-income families, the Rental Assistance Program, was also created in 2006. This program provides assistance to low-income, working families renting in the private market.

A large portion of BC Housing's budget, approximately \$239.1 million, will assist 57,222 families and seniors to have affordable homes.



Aboriginal individuals and families

The Sto:lo Aboriginal elders development in Chilliwack, funded under Independent Living BC, is the first assisted-living facility built for Aboriginal elders in B.C. A partnership between BC Housing, Fraser Health and the Sto:lo Nation Society, the development is not exclusive to Sto:lo seniors, but provides a setting where their food, language and culture are reflected. The building is expected to open in summer 2007.



Seniors who are renting

A recipient of Shelter Aid for Elderly Renters (SAFER) for the past seven years, 86-year-old Langley resident Reta Clark is grateful for the extra help she gets with her rent. Reta says the program is a blessing for seniors on a fixed income, and has meant the difference between staying in her own home and not being able to take care of herself.



Families who are renting

Surrey single mom Cathy couldn't believe her luck when she received her first Rental Assistance Program payment. "I struggle to make rent every month," she said. "When I found out that I was going to receive something, it felt incredible. It makes a world of difference." For Cathy, who has two daughters, the \$383 she receives each month makes life much easier.

HOUSEHOLDS ASSISTED BY THE CONTINUUM OF HOUSING AND SUPPORT SERVICES

BC Housing's role is to assist vulnerable British Columbians in need of affordable and appropriate housing so that they may have healthier futures. We are able to provide this assistance through existing temporary and permanent housing. Where there are gaps in the housing continuum, we work to address these through the creation of new housing options or by adapting existing housing to better meet the needs of vulnerable citizens. We also want to make it as simple as possible for people to access subsidized housing. And, once people are living in subsidized housing, we want to ensure that they are safe and receive the supports they need to lead healthy lives. Affordable housing is a bridge that allows people to return to school, obtain full-time employment, and explore alternative housing options including homeownership. Individuals become more capable of moving away from government income or housing assistance.

Government-Assisted Housing

(Accounts for almost 6% of the province's total housing stock)



How We Serve British Columbians

Every aspect of BC Housing’s business is centred on our clients. To best serve them, we have created relationships with key partners. Below are descriptions of how we do business in partnership.

POLICY PARTNERS

The Office of Housing and Construction Standards, within the Ministry of Forests and Range, is responsible for provincial housing policy, building policy, safety policy and the Residential Tenancy Branch. By working collaboratively, government is able to ensure that housing policy is aligned with programs and services to improve access to safe and stable housing for all British Columbians.

DELIVERY PARTNERS

Housing assistance is provided through a number of mechanisms including public, non-profit and cooperative housing, as well as through rent assistance to people living in the private rental market. BC Housing pro-

vides financial, administrative and technical support to its delivery partners, in addition to administering long-term operating agreements and the provision of housing subsidies. BC Housing’s role is one of stewardship and accountability.

SERVICE PARTNERS

In responding to the needs of British Columbians, access to housing must often be combined with other support services (e.g. income support, health, education, employment and skills training). BC Housing has engaged in innovative service partnerships that integrate housing and support services. These service partnerships involve other levels of government, health authorities and service providers.

FUNDING PARTNERS

The investment required to create new housing necessitates a partnership model. No one level of government can do it alone. A public-private partnership model for the development of new housing combines funds from all levels of government and leverages private, non-profit and charitable sources. Once built, funding for the ongoing delivery of government-subsidized housing comes from a number of different partners including BC Housing, other provincial ministries and the federal government.



Key Relationships

The diagram at left illustrates BC Housing’s relationships with our key partners and how we work together to provide housing options. Every aspect of our business is centred on our clients. Using this client-centred approach, and in cooperation with our partners, BC Housing creates, manages and maximizes resources in order to ensure that housing needs are met for vulnerable British Columbians.

Alignment with Government's Goals

Among the priorities identified in the provincial government's 2006/07 to 2008/09 Service Plan is the goal to build the best system of support in Canada for persons with disabilities, those with special needs, children at risk and seniors. Housing represents a critical part of this system. BC Housing aligns its business activities with government's housing priorities and reports to the Minister of Forests and Range and Minister Responsible for Housing.

A key component of the governance framework is the *Shareholder's Letter of Expectations*. The letter describes the relationship between BC Housing and the provincial government, and mandates direction from government to BC Housing. The *Shareholder's Letter of Expectations* ensures a mutual understanding between the shareholder and BC Housing on governance issues, corporate mandate, core services, public policy issues, strategic priorities and performance expectations.

As set out in the *Shareholder's Letter of Expectations*, BC Housing's priority is to fulfill the government's commitment to meeting the housing needs of vulnerable British Columbians.

The following chart reflects the alignment between the government's key strategic directions and BC Housing's goals and objectives.

GOVERNMENT'S STRATEGIC GOAL

Build the best system of support in Canada for persons with disabilities, those with special needs, children at risk and seniors.



SHAREHOLDER'S LETTER OF EXPECTATIONS

BC Housing's priority is to fulfill the government's commitment to meeting the housing needs of vulnerable British Columbians.

This is accomplished by ensuring effective planning for, and management and delivery of, housing programs and services within BC Housing's 2006/07 budget as well as the budget targets and ministry transfers in the BC Housing 2006/07 - 2008/09 Service Plan by:

- working in partnership with provincial health authorities, non-profit and private sector, local governments and others to deliver the Independent Living BC program;
- completing the Provincial Housing Program by 2006/07;
- working with other provincial ministries and health authorities to establish long-term housing and support services to respond to the needs of homeless/at risk individuals;
- harmonizing the federal social housing portfolio with the provincial social housing portfolio;
- supporting Aboriginal capacity building in the area of housing and transferring administration of additional housing units to the Aboriginal Housing Management Association;
- initiating comprehensive re-development plans for appropriate subsidized housing sites to further the objectives of the provincial housing strategy; and
- improving access to, and maximizing the use of, public housing for those with complex housing and health needs.



BC HOUSING'S GOALS AND OBJECTIVES

Goal: Respond to gaps in the housing continuum

- Objectives:
- Increasing housing options
 - Adapt existing housing to target resources to vulnerable British Columbians

Goal: Organizational excellence

- Objectives:
- Financial and operating success
 - High level of employee engagement

Goal: Protect and manage existing housing for the long term

- Objectives:
- Maintain the quality of existing assets
 - Adequate provision for future requirements

Goal: Provide access to appropriate housing and services for vulnerable British Columbians

- Objectives:
- Ease of access to housing
 - Available housing targeted to the most vulnerable

Operating Context

Our success in meeting our goals, objectives, strategies and measures is influenced by many external factors. The following is a summary of internal and external challenges and opportunities that could affect BC Housing's ability to meet our performance targets. A risk-management approach is used to assess challenges and opportunities, and to determine the appropriate strategies for responding.

CHALLENGES

Market Pressures

- B.C.'s current housing environment adds to the challenges of housing need. Very few rental-housing units are being built, and in our urban centres, rents are unaffordable for many people. Additionally, existing rental buildings are diminishing as property owners pursue redevelopment opportunities. BC Housing recently purchased eleven Single Room Occupancy (SRO) hotels. These buildings were purchased to preserve and upgrade an important source of affordable housing stock for people at risk of homelessness. Work will be undertaken over the next year to bring the buildings up to an acceptable standard so that people can feel safe and secure in this housing.
- The challenges related to new supply programs include rising construction costs, which are up by more than 40 per cent over the last four years. The cost drivers include significant increases in the cost of materials and skilled labour shortages, resulting in both increased labour costs and delays in project completion. This puts pressure on the budgets of new projects that are being built. BC Housing has continued to seek cost-effective solutions by bundling similar projects and pursuing alternative construction forms including modular housing.

Maintenance of the Social Housing Portfolio

- Many of the buildings that make up the public housing portfolio are aging and their mortgages are beginning to expire. Maintenance and capital-replacement costs were increased for some buildings in order to ensure compliance with current health and safety standards.
- With these challenges comes an opportunity to renovate these buildings to better

meet the needs of tenants and/or to accommodate support services. Some developments will benefit from new funding as 750 units of social housing are converted to supportive housing.

- Other buildings that occupy under-utilized land are beginning to be redeveloped. Working in partnership with the private and non-profit sectors, these lands can become mixed-income communities with subsidized housing more fully integrated into larger communities. The redevelopment process began this year on the first social housing development, Little Mountain. Any proceeds from redevelopment of public housing will be reinvested back into affordable housing. As BC Housing moves forward on redevelopment initiatives, we will ensure that no resident will be left without housing assistance.

Not-In-My-Back-Yard (NIMBY)

- As BC Housing focuses on constructing new housing for vulnerable tenants, strong opposition has emerged to the developments in a handful of cases as a result of fear and uncertainty. This type of opposition, referred to as "Not-In-My-Back-Yard" (NIMBY), creates difficulties in making progress to address homelessness. BC Housing is working to ensure that surrounding communities learn more about the developments and that the general public and local governments are able to deal with public opposition so that consensus can be more easily achieved to move projects forward.

Allocation of Resources

- The demand for affordable housing exceeds the supply of resources as indicated by the more than 14,380 applicants currently listed in The Housing Registry, BC Housing's database of housing providers and applicants. Therefore, housing resources must be

used as efficiently as possible to ensure that those in the greatest housing need are given priority.

Internal Capacity

- The shortage of capable labour and the potential loss of intellectual capital poses a risk to BC Housing's ability to meet our commitment to excellence in client service, project development and ensuring the quality of our housing portfolio. As well, an aging population is changing the dynamics of attracting skilled people at the same time as many employees are retiring or are becoming eligible to retire. In BC Housing's current workforce, the percentage of employees who are eligible to retire on the basis of having reached age 55 or over, exclusive of their pensionable status, is approximately 23 per cent. This will grow to 38 per cent over the next five years, and 58 per cent within the next 10 years. BC Housing is striving to recruit and retain skilled, creative, committed employees. We are ensuring an engaged workforce for the benefit of all clients and stakeholders through a new People Strategy. A succession plan was also created this year to ensure we are well placed to meet our commitments today and in the future.

Changing Demographics

- It is clear that the challenges of addressing housing need in B.C. are much different than they were a decade ago. The number of people who are homeless has increased and their overall health is declining. Our population is aging and this increases demand for affordable housing with support services. The number of Aboriginal people who are homeless or in core housing need is higher than the incidence of need in the larger population. Our programs are designed to meet current needs and anticipate future demand.

OPPORTUNITIES

Inter-Ministerial Coordination and Collaboration

- As part of the Premier's Task Force on Homelessness, Mental Illness and Addictions, BC Housing has been working with provincial ministries and health authorities to develop permanent, long-term housing and outreach strategies to respond to homelessness.

The Emergency Shelter System as part of the Continuum of Housing

- The administration of emergency shelters, cold wet weather beds and extreme wet weather beds was transferred from the Ministry of Employment and Income Assistance to BC Housing late in 2005. This administrative change provided an opportunity to integrate emergency housing with other housing programs and services to better support those who are homeless. Harmonizing the housing portfolio and finding administrative efficiencies between housing and shelter programs were key priorities this year. We have also been working to address some challenges with statistical analysis and reporting, and some maintenance and capital replacement matters.

Enhanced Federal-Provincial Relationship

- The federal government is contributing \$106 million to help address short-term pressures in the supply of affordable housing. This funding will flow to BC Housing from 2006/07 to 2008/09. The funding will be used to offset the cost of constructing new housing under the Independent Living BC and the Provincial Homelessness Initiative programs.

Integration of Social Housing Across the Province (Devolution)

- In January 2007, the federal government transferred the administration of 16,688 units within the federal social housing portfolio to BC Housing. Devolution creates the potential for the redevelopment and conversion of social housing in keeping with

the B.C. government's housing priorities, as well as allowing for increased administrative and operational efficiencies. All systems have been successfully integrated ensuring continued and seamless service to our partners.

Aboriginal Capacity Building

- BC Housing is working closely with the Aboriginal Housing Management Association (AHMA) to ensure the successful transition and management of the federal Aboriginal housing portfolio. Currently, AHMA is managing 322 units of Urban Native Housing, and has been doing so successfully since 2004. BC Housing staff have been working with AHMA to share knowledge and technical expertise. This Aboriginal self-management model for social housing is the first of its kind in Canada.
- In addition, an Off-Reserve Aboriginal Housing Trust has been created to help provinces address short-term housing needs for Aboriginal Canadians living off-reserve. Funding of \$50.9 million will flow to BC Housing in 2007 / 08 and in 2008 / 09. BC Housing is working in consultation with AHMA and other Aboriginal housing providers to select appropriate projects and allocate capital grants to construct new housing for Aboriginal households across the province. An Expression of Interest for Aboriginal partners was released early in 2007.

Sound Sustainability Practices

- BC Housing is committed to reducing its environmental impact and creating healthier homes and workplaces for tenants and employees. Wherever possible, we evaluate environmental impacts while considering fiscal and operational needs by employing energy-efficiency measures and sustainable practices in our new construction projects, repair and improvements to existing buildings and day-to-day operations. BC Housing has aligned its targets for energy and greenhouse gas emission reduction with those of the Government of British Columbia and is a recognized BC Hydro Power Smart Partner.

Public-Private Partnerships (P3)

- BC Housing has entered into a number of innovative partnership initiatives with municipalities, non-profit societies, the private sector and other housing partners. These partnerships have been designed to respond to local housing challenges and have created additional units without the need for ongoing operating subsidies. They are great opportunities for BC Housing to work with communities to move projects forward faster.

Effective Management Strategies

- BC Housing is actively engaged in identifying strategies to streamline and improve program administration, reduce costs and promote sustainability. The devolution agreement with the federal government provides an opportunity to harmonize programs, simplify reporting requirements, reduce administrative burdens and improve program effectiveness. As well, by creating incentives for housing providers to explore new ways of generating revenues or controlling costs, housing providers can take some of the pressure off their budgets.
- With the implementation of our new information technology system this year, we worked our way through a major business initiative to ensure our administrative practices meet or exceed industry standards.

Sector Sustainability

- About 56 per cent of social housing is provided by the non-profit and cooperative housing sector. Almost 50 per cent of these providers are responsible for a single housing development. BC Housing is working closely with the BC Non-Profit Housing Association (BCNPHA) to ensure the sector remains robust. BC Housing and BCNPHA share common goals that promote greater resource and information sharing, governance and administrative models to protect non-profit and cooperative housing for the long term.