

# 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

Housing solutions for healthier futures.

# 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](http://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.

### Audit and Risk Management Committee

Ensures 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.

### Corporate Governance Committee

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

### Human Resources Committee

Provides a focus on senior management human resource and compensation issues.

## STANDARDS 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 policy is available on BC Housing's website at [www.bchousing.org](http://www.bchousing.org).

# Shareholder's Letter of Expectations

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. It is reviewed annually, updated as required and signed by the Chair of the Board of Commissioners and by the Minister of Forests and Range and Minister responsible for Housing.

As set out in the Shareholder's Letter of Expectations, BC Housing's priority is to fulfill the government's commitment to meet the housing needs of British Columbians who are most in need. A copy of this Letter can be viewed at [www.bchousing.org](http://www.bchousing.org) (see "About BC Housing"), and an excerpt is displayed below. The performance expectations set out in the Letter are integrated within and disclosed through BC Housing's service planning and corporate planning frameworks.

## SHAREHOLDER'S LETTER OF EXPECTATIONS (EXCERPT)

Within the 2007/08 budget confirmed for the Corporation, and the 2008/09 and 2009/10 budget targets and Ministry transfers as set out in the Corporation's 2007/08 to 2009/10 Service Plan, ensure effective planning for, and management and delivery of, housing programs and services by:

- Working in partnership with provincial health authorities, the non-profit and private sectors, local governments and others to deliver the Independent Living BC program;
- 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;
- Integrating 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;
- Improving access to, and maximizing the use of, government-owned public housing for those with complex housing and health needs through initiatives such as the Seniors' Supportive Housing Program;
- Incorporating environmentally responsible construction and management techniques into developments whenever possible;
- Finding innovative ways to deliver on its mandate and providing support for innovative projects initiated by others; and
- Increasing the number of year-round emergency shelter beds.

# Organizational Chart

The following chart highlights BC Housing’s key service areas and the responsibilities and accountabilities in each area. There are 451 full-time-equivalent staff employed across the Commission.



## 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 co-operatives. As of March 31, 2008, PRHC held properties with an original cost of \$650 million.

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 links between the two entities, senior management of BC Housing serve as PRHC’s Directors. PRHC does not employ any staff.

The financial statements for PRHC can be found on page 53 of this report.

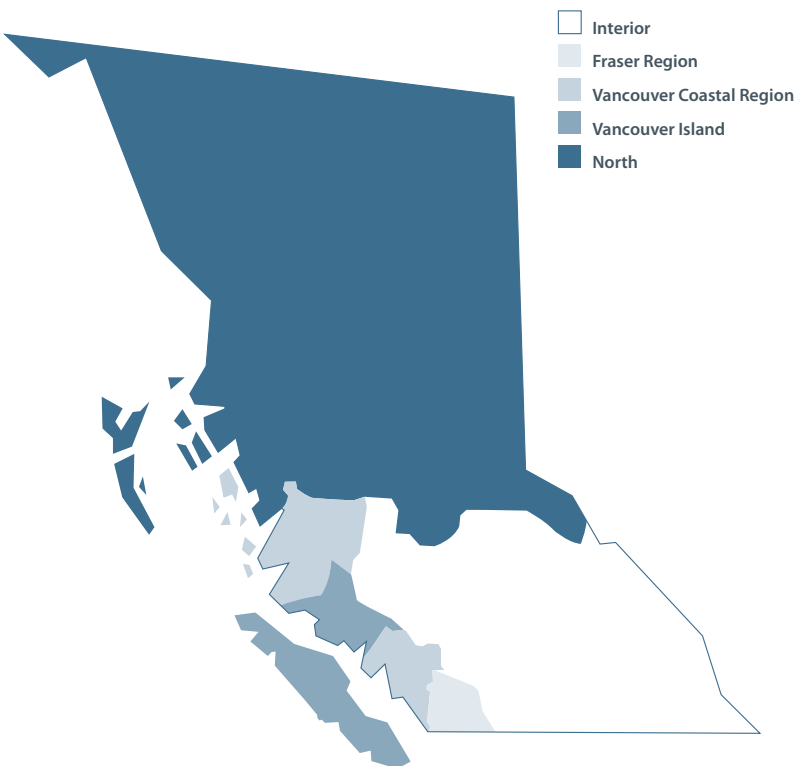
# Housing for those in Greatest Need

## THE CONTEXT

The vast majority of British Columbians are housed successfully in the private housing market, even with the rising cost of home ownership and rent in many urban centres. Some households, however, are unable to find suitable housing in the private market. In most 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 economic eviction or homelessness.

Government-assisted housing in British Columbia is administered by BC Housing and targeted to lower-income households, many of which have complex housing and health needs. Providing assistance to those in crisis is an important component of our programs and services. The map below shows BC Housing’s service regions. Using 2006 Census data, the tables show the general distribution of households paying 50 per cent or more of their income on rent and those assisted through the current inventory of subsidized housing units and rent supplements.

In total, 85,457 households in about 200 communities were assisted through BC Housing in 2007/08. Some 800 housing providers – mostly non-profit societies and housing co-operatives – manage about 57,000 units of subsidized housing and BC Housing manages 7,800 public housing units. An additional 20,370 low-income families and senior households receive portable rent supplements to pay rent in the private market through *SAFER* and the *Rental Assistance Program*.



### VANCOUVER COASTAL REGION

Total number of households	419,400
Households spending > 50% of their income on rent	23,300
Households assisted through subsidized housing	30,662

### FRASER REGION

Total number of households	514,100
Households spending > 50% of their income on rent	18,200
Households assisted through subsidized housing	23,976

### INTERIOR

Total number of households	269,100
Households spending > 50% of their income on rent	8,700
Households assisted through subsidized housing	12,348

### NORTH

Total number of households	100,300
Households spending > 50% of their income on rent	2,600
Households assisted through subsidized housing	4,425

### VANCOUVER ISLAND

Total number of households	297,800
Households spending > 50% of their income on rent	12,100
Households assisted through subsidized housing	14,046

### TOTAL

Total number of households	1,600,700
Households spending > 50% of their income on rent	64,900
Households assisted through subsidized housing	85,457

# BC Housing’s Role in the Housing Continuum

The housing continuum extends from emergency shelter and housing for the homeless through to affordable rental housing and home ownership. The diagram below illustrates this continuum, including the portion that is government-assisted with differing levels of support services.

BC Housing’s role is to assist British Columbians in greatest need of affordable and appropriate housing so that they may have healthier futures. We are able to provide this assistance through options along the continuum including: emergency shelter (as a gateway to housing), transitional, supportive and assisted living, independent social housing and rent assistance in the private market.

Where there are gaps in the housing continuum, they are addressed through the creation of new housing options or by adapting existing housing to better meet the requirements of those most in need. 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.

## The Housing Continuum



# Who We Serve

In 2007/08, government helped 85,457 households across the province, with the majority of this assistance targeted to those who are most in need. In order to help people move along the continuum and out of emergency or transitional situations to more stable situations, a combination of housing and supports is needed.

Frail seniors, people at risk of homelessness, people with mental illness or physical disability, those with drug and alcohol addictions, and women with their children fleeing abusive relationships represent some of the groups in our society that are most in need. They need more than a roof over their heads; they need housing with support services in order to maintain successful tenancies, lead healthier lives and participate more fully in their communities. Other households, whose housing problems stem solely from low income, are being helped through rental assistance programs in the private rental housing market, where most already live.

Affordable housing is a bridge that allows people to achieve greater stability in their lives and become more capable of moving away from government assistance.

## **INDIVIDUALS WHO ARE HOMELESS**

- Homelessness is a growing concern for many communities throughout B.C. Some reports estimate the costs of homelessness to the health, social, and justice systems to be over \$55,000 per person per year.
- Challenges to finding appropriate housing for people who are homeless include those which are housing-related (e.g. affordability, availability or suitability), as well as those that are related to a combination of life events including disabilities, health issues, addictions, social exclusion, joblessness or a breakdown of relationships.

## **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, putting pressure on social housing buildings.
- 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.
- Frail seniors and individuals with special needs require a range of support services, and supportive housing allows them to live independently.

## **ABORIGINAL INDIVIDUALS AND FAMILIES**

- More than 28 per cent of off-reserve Aboriginal households are in core housing need compared to 15 per cent for all non-Aboriginal households.
- Aboriginal people are disproportionately represented among those who are homeless.

## **LOW-INCOME SENIORS AND FAMILIES**

- Approximately 64,900 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.

# 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

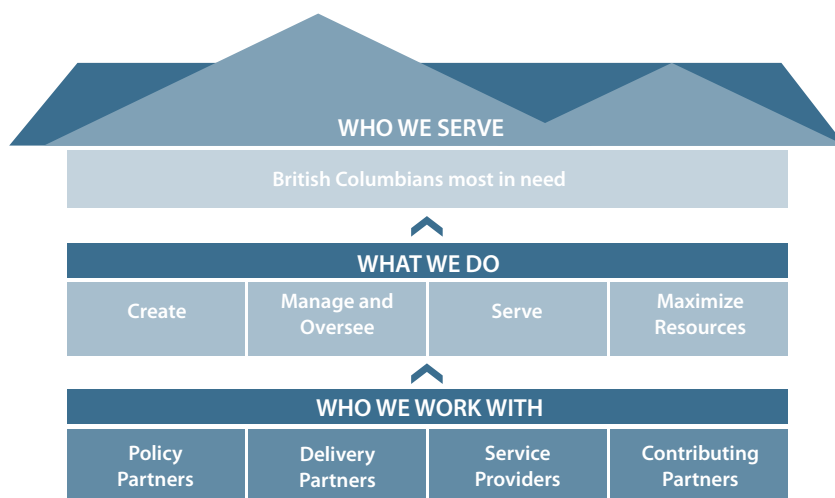
Housing assistance is provided through a number of mechanisms including public, non-profit and co-operative housing, as well as through rent assistance to people living in the private rental market. BC Housing provides financial, administrative and technical support to its delivery partners, in addition to administering long-term operating agreements and the provision of housing subsidies. BC Housing's role is one of stewardship and ensuring 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.

## CONTRIBUTING 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. Municipal governments can contribute through expediting approval processes and offering reduced property taxes, as well as making land available for new housing. 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

*This diagram illustrates BC Housing's relationships with our key partners and how we work together to provide housing options.*

# Strategic Context

## PLANNING CONTEXT AND KEY STRATEGIC ISSUES

Success in meeting our goals, objectives, strategies and measures is influenced by many factors. The following is a summary of internal and external challenges and opportunities that influence BC Housing's strategies and results. A risk-management approach is used to assess challenges and opportunities, and to determine the appropriate strategies for responding.

EXTERNAL FACTORS	CHALLENGES	OPPORTUNITIES AND STRATEGIC RESPONSES
Pressures in the Rental Housing Market	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, the number of existing rental buildings is diminishing as property owners pursue redevelopment opportunities.	BC Housing purchased additional single room occupancy (SRO) hotels in 2007/08. These buildings were purchased to preserve and upgrade an important source of affordable rental housing stock for people at risk of homelessness. Work is underway to bring the buildings up to an acceptable standard so that people can feel safe and secure in this housing. BC Housing also preserved additional affordable housing stock with the purchase of private rental buildings. In total BC Housing has purchased 30 SRO and rental buildings, protecting and upgrading over 1,400 units of existing affordable housing.
Rising Construction Costs	Construction costs are up by more than 40 per cent over the last five 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.
Aging Social Housing Portfolio	Many of the buildings that make up the social housing portfolio are aging and their mortgages are beginning to expire. Maintenance and capital-replacement costs will need to be increased for some buildings in order to ensure compliance with current health and safety standards.	There is 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 to convert 750 units of social housing to supportive housing, responding to increases in demand for affordable housing with support services.
Under-utilized Land on Housing Sites	Many of the older social housing developments are located on large parcels of land in central locations that could potentially accommodate more housing.	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 is underway for British Columbia's 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 current tenant will be left without housing assistance.

EXTERNAL FACTORS	CHALLENGES	OPPORTUNITIES AND STRATEGIC RESPONSES
Not-In-My-Back-Yard (NIMBY)	As BC Housing focuses on developing new housing for those most in need, strong opposition has emerged in some cases as a result of fear and uncertainty. This type of opposition, referred to as “Not-In-My-Back-Yard” (NIMBY), creates difficulties in addressing homelessness.	BC Housing works with its partners to ensure that surrounding communities learn more about the developments and that the general public and local governments are able to manage opposition so that consensus can be more easily achieved to move projects forward.
Strong Demand for Affordable Housing	The demand for affordable housing exceeds the supply of resources as indicated by the almost 14,000 applicants currently listed in <i>The Housing Registry</i> , BC Housing’s database of housing providers and applicants.	Housing resources must be allocated as effectively as possible to ensure that those in the greatest housing need are given priority. BC Housing has initiated strategies to improve access to available housing for individuals and families with complex housing and health needs.
Rising Number and Declining Health of Individuals who are Homeless	The challenge is to break the cycle of homelessness through outreach and supports, such that individuals can successfully move from the street and shelter system into stable housing.	New programs have been introduced to expand shelter operations, outreach programs, transitional and supportive housing solutions as well as homeless rent supplements to break the cycle of homelessness. Harmonizing the housing portfolios and finding administrative efficiencies between housing and shelter programs are key priorities.  As part of the Premier’s Task Force on Homelessness, Mental Illness and Addictions, BC Housing works with provincial ministries and health authorities to develop permanent, long-term housing and outreach strategies to respond to homelessness.
Labour Supply, Aging Demographics and Internal Capacity	The shortage of capable labour and the potential loss of intellectual capital pose 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 will grow significantly over the next 10 years.	BC Housing is striving to recruit and retain skilled, creative, committed employees. We are ensuring an engaged workforce through our People Strategy. Learning and growth and succession planning initiatives have been put into place to ensure we are well situated to meet our commitments today and in the future.
Enhanced Federal-Provincial Relationship	Participation from the federal government is needed to respond more effectively to growing demand for affordable housing.	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 until 2008/09. The funding will contribute to new housing under the <i>Independent Living BC</i> and the <i>Provincial Homelessness Initiative</i> programs.

## Strategic Context (continued)

EXTERNAL FACTORS	CHALLENGES	OPPORTUNITIES AND STRATEGIC RESPONSES
<p>Aboriginal Capacity Building</p>	<p>The proportion of Aboriginal people who are homeless or in core housing need is higher than the incidence of need in the larger population.</p>	<p>BC Housing is collaborating with the Aboriginal Housing Management Association (AHMA) to work towards the successful transition and management of the federal Aboriginal housing portfolio. 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.</p>
<p>Sound Social and Environmental Practices</p>	<p>Addressing the problem of climate change is a priority for British Columbia. The B.C. government has set out the challenge to make all government operations carbon neutral by 2010. Government agencies have been called upon to demonstrate best practices and lead the way by corporate example.</p>	<p>BC Housing is committed to reducing its environmental impact and creating healthier homes and workplaces for tenants and employees. Energy-efficiency measures and sustainable practices are employed 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. We are also working to ensure our projects contribute to sustainable community development.</p>
<p>Public-Private Partnerships (P3s)</p>	<p>Public-private partnerships can respond to local housing challenges and create additional housing units without the need for ongoing operating subsidies.</p>	<p>BC Housing has entered into a number of innovative partnership initiatives with municipalities, non-profit societies, the private sector and other housing partners. They are great opportunities for BC Housing to work with communities to move projects forward faster.</p>
<p>Effective Management Strategies</p>	<p>BC Housing and housing providers share a common interest in establishing effective program management strategies that strive for innovation and harmonization.</p>	<p>BC Housing is actively engaged in identifying strategies to streamline and improve program administration, reduce costs and promote sustainability. The Canada-B.C. Social Housing Agreement 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, we can help housing providers take some of the pressure off their budgets.</p> <p>With the implementation of a new information technology system, we worked our way through a major business initiative to ensure our administrative practices meet or exceed industry standards.</p>
<p>Sector Sustainability</p>	<p>BC's social housing stock is supported by a large number of housing providers. About 56 per cent of social housing in the province is provided by the non-profit and co-operative housing sector. Almost 50 per cent of these providers are responsible for single housing developments.</p>	<p>BC Housing is working 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, as well as governance and administrative models to protect non-profit and co-operative housing for the long term.</p>