

Northwest Territories Housing Corporation Annual Report 2009-2010



SHAPING NORTHERN HOUSING OPTIONS



TABLE OF CONTENTS

Message from the Minister	1
Message from the President & CEO	2
Corporate Profile	3
Corporate Structure	4-6
Housing Infrastructure Investment Through CEAP and the NWT HC	7
2009 NWT Community Survey	8
2009 Housing Needs Results	9
Responsibility for the Public Housing Program rent assessment	10
2010 Northern Housing Forum	11
NWTHC official builder of EnerGuide rated homes	12
Trades Training in Tuktoyaktuk and Aklavik	13-14
From Rental to Homeowner	15
Our People Profile: Tom Gross	16
District Profile: Beaufort Delta	17
Long Service Awards	18
Appendix A: Financials	19

Message from the Minister

The Honourable Robert C. McLeod, Minister Responsible for the Northwest Territories Housing Corporation



It is my pleasure as Minister Responsible for the Northwest Territories Housing Corporation (NWT HC) to present the NWT HC 2009-2010 Annual Report.

This year, the NWT HC was pleased to co-host the Northern Housing Forum (NHF) with Canada Mortgage and Housing Corporation (CMHC), which was held March 22-25, 2010, in Inuvik. The NHF provided an excellent opportunity to consider the work and progress being made in the area of housing design by various jurisdictions around the circumpolar part of the world. There was a valuable exchange of information regarding research and experience in the development of housing options and strategic approaches to housing design to meet the needs of northern residents. Looking towards the future we hope to continue with the ideals of the NHF: sharing

northern housing issues, challenges, and best practices across the circumpolar region that represent successful advancements in design and technology for northern housing.

We are pleased to announce that the responsibility for the administration of the Public Housing Rental Subsidy (PHRS) will be transferred back to the NWT HC and Local Housing Organizations (LHOs) this year. Rental assessments will be the responsibility of the NWT HC starting on June 1, 2010, and the NWT HC and LHOs will progressively take over the administration of PHRS by April 1, 2011. We anticipate that this will improve the rent assessment process for our public housing tenants by offering a single point of access for their housing needs.

Infrastructure investment and the construction, renovation and repair of homes across the NWT was the main focus of the 2009-2010 year for the NWT HC. The Government of the Northwest Territories, through NWT HC, has matched the federal government's investment through Canada's Economic Action Plan (CEAP). This investment will carry through 2010-2011 also and make a significant impact in the provision of adequate, suitable and affordable housing to residents of the NWT.

We are committed to improving NWT HC programs and services through actions such as these and look forward to another year busy year of housing construction that will benefit NWT residents in need.

Robert C. McLeod

Message from the President/CEO

Jeff Polakoff, President and CEO of the Northwest Territories Housing Corporation

I am proud to reflect on the key highlights that were achieved during the 2009-2010 year, such as the Northern Housing Forum, the large housing infrastructure investment by the federal and territorial governments, and the transfer of the responsibility for the Public Housing Rental Subsidy (PHRS) back to the NWT HC.

The NWT HC, with support from Canada Mortgage and Housing Corporation (CMHC), hosted the Northern Housing Forum in Inuvik (NHF), March 2010. The purpose of the Northern Housing Forum was to create a venue for sharing northern housing issues, challenges, and solutions. It highlighted northern housing research, design, and construction while fostering relationships with others involved in the northern circumpolar housing industry. The NHF attracted a wide range of people including designers, architects, planners, researchers, builders, policy developers, suppliers, housing professionals and representatives from other circumpolar regions, territories, and countries. Feedback from those who attended the forum indicate the event was very successful. Compliments on the organization of the event, as well as, the relevance of the content of the various presentations were received. A copy of the presentations that were made available to the NWT HC are now posted on our website (www.nhf2010.ca).



Through Canada's Economic Action Plan (CEAP) and the NWT HC's Affordable Housing Initiative (AHI), Canada Mortgage and Housing Corporation with matching investment through the NWT HC, provided capital investment to increase and improve the supply of affordable housing in the NWT. This commitment made a significant, positive impact on the overall housing situation throughout the territory. 460 new housing units have been built under the NWT HC's Affordable Housing Initiative (over the period 2006-2007 up to and including 2009-2010) with an additional 41 housing units scheduled for completion in 2010-2011. In the first delivery year (2009-2010) under CEAP, an additional 200 units were constructed.

The administration of the Public Housing Program's PHRS has come under significant scrutiny since it was transferred in 2006 from the NWT HC to the Department of Education, Culture and Employment (ECE). It has been determined that change is needed to focus on improvements to local client service. The administration of PHRS will be phased into the NWT HC and LHO operations over the course of the 2010-2011 fiscal year. The NWT HC will assume the responsibility for assessments on June 1, 2010 and the transfer of the administration of PHRS to the NWT HC will be completed and program changes implemented by April 1, 2011.

The NWT HC and ECE are currently finalizing a strategic workplan to guide the transfer and development of any necessary tools related to activities associated with the transfer of the PHRS to the NWT HC to achieve full implementation by April 2011. The NWT HC has developed a Microsoft Project that will act as the planning and tracking tool for the strategic workplan for the transfer of PHRS. This plan has not yet been released but will cover all the outstanding issues of the program transfer, including a communications plan.

By continuing to invest in housing infrastructure and improving the NWT HC's programs and services, we hope to capitalize on these improvements for the benefit of northern housing.

Sincerely,

Jeff Polakoff

Corporate Profile

OUR VISION

The Northwest Territories Housing Corporation (NWT HC) provides access to adequate, suitable and affordable housing. Through the provision of housing programs and services, the NWT HC contributes to the health and education of NWT residents and to the development of sustainable, vibrant and safe communities.

OUR GOALS

The long-term goals of the NWT HC support the goals set out by the 16th Legislative Assembly in its strategic plan “Northerners Working Together”:

1. Increase the supply of adequate, suitable and affordable housing in communities to address the housing needs of NWT residents;
2. Acquire and plan for sufficient land for the purpose of providing affordable housing;
3. Provide homeownership and rental programs and services that are effective and appropriate;
4. Enhance the long term sustainability and energy efficiency of housing in the NWT, and;
5. Promote personal responsibility and accountability for housing through community based training and support.

Framework for Action 2008-2011

The NWT HC’s Framework for Action 2008-2011 sets out the following guiding principles:

- All residents of the Northwest Territories should have access to housing that they can afford, that is of suitable quality, and that is adequate to meet their individual shelter needs.
- Housing should be a key component in the development of safe, healthy and sustainable Northern communities.

- Programs and services delivered by the NWT HC should provide easy access for clients and promote greater personal responsibility for housing through community based training and support.
- Public funds designated for housing should be used in a manner that ensures the security of investments made, maximizes available resources, and balances affordability with the utilization of local labour and materials.
- Housing should be constructed in a manner which meets all national and territorial construction standards, maximizes energy efficiency, minimizes environmental impact, and contributes to lowering the cost of living.
- The NWT HC should clearly communicate with stakeholders, and ensure that the input and views of stakeholders are heard and are acted upon.



Corporate Structure of the Northwest Territories Housing Corporation (NWT HC)

Corporate Summary

The Northwest Territories Housing Corporation provides social and market housing programs and services, including subsidized rental housing, subsidized homeownership programs (including purchase and repairs), and the provision of unsubsidized rental housing in rural and remote communities. Policy and program development play a key role in creating appropriate programs to address the core housing need of NWT residents and promote self-reliance. The Corporation incorporates energy efficient technologies in its housing design and in the retrofitting of housing to improve its sustainability and energy efficiency. The Corporation continues to work in partnership with the Canada Mortgage and Housing Corporation (CMHC) to cost – share the development and improvement of housing infrastructure across the NWT. At the community level, the Corporation partners with Local Housing Organizations, municipalities and bands to manage and administer the public housing portfolio in 26 communities.

Divisions

1. Executive – The Executive provides overall leadership and management of the NWT HC and coordinates with government departments and agencies in addressing the housing needs across the NWT. This includes the provision of essential oversight and direction of the NWT HC in strategic planning, policy, corporate communications and operations. The Executive is also responsible for providing support to the Minister Responsible for the Northwest Territories Housing Corporation in carrying out the strategic direction of the Legislative Assembly.

o Strategic Planning, Policy and Communications - The Strategic Planning, Policy and Communications Branch of the Executive provides support with regard to long-term strategic direction and planning for the NWT HC. This Branch is also responsible for strategic and business planning, policy development, qualitative and quantitative research, and corporate communications. This section represents the NWT HC on a Federal/Provincial/Territorial (F/P/T) level, on interdepartmental working groups, and on other committees.

2. Finance and Infrastructure Services Division – The Finance and Infrastructure Services Division is comprised of two branches: 1) Finance and Administration; and, 2) Infrastructures Services. Through these two branches, the Division manages and administers the NWT HC's financial services, capital planning, land acquisition and planning, information services, asset management and infrastructure delivery.



o Finance and Administration Branch- This Branch has oversight of the financial affairs of the Corporation and LHOs includes controllership functions, financial planning, capital planning and budget development, the provision of accounting services, reporting and monitoring, treasury services, audit support, mortgage and debt administration, revenue administration, and providing financial advice to senior management and stakeholders. Finance and Administration is also responsible for the Corporation's information systems, information management, and safeguarding the Corporation's assets, which includes mortgage interests.

o Infrastructure Services Branch - The Branch is responsible for the planning, design, procurement, and leads the delivery of capital infrastructure projects in support of the Corporation's rental and homeownership programs. This Branch is also responsible for planning for and acquiring tenured lands and for land administration in support of the Corporation's construction activities. Infrastructure Services is also responsible for the Maintenance Management Program of the Corporation's rental housing portfolio in order to ensure its long-term sustainability and energy efficiency.

3. Programs and District Operations - This Division provides corporate support to the NWT HC's five District Offices in the delivery of programs and services to the residents of the NWT. This includes the development, implementation, training, monitoring, and delivery of programs and initiatives that optimize the NWT HC's responsiveness to housing needs in the NWT, and to ensure a continuity of approach to program delivery and implementation. The Programs and District Operations Division works closely with district and community housing providers, Local Housing Organizations (LHOs), to ensure compliance with existing policies and procedures, as well as developing and updating operational policies while ensuring that District Offices and LHOs have the support and capacity required to effectively deliver the NWT HC's programs and services.

o NWT HC District Offices - The five District Offices support communities in program and service delivery. District Offices are responsible for the administration of district capital activities and program delivery. District Offices also play a pivotal role in lands acquisition and development, maintenance, and training, and work closely with external stakeholders at the community level. District Offices work with LHOs and NWT residents to identify options and programming to assist individuals in decision making regarding their housing needs. An important component of the relationship between districts and clients are the services related to mortgage advice and counseling, as well as services provided to clients under the Homeownership Entry Level Program (HELP) designed to prepare them for future homeownership.

Beaufort-Delta District Office:

This District Office supports the communities of: Aklavik, Fort McPherson, Inuvik, Paulatuk, Sachs Harbour, Tsiigehtchic, Tuktoyaktuk, and Ulukhaktok.

Sahtu District Office:

This District Office supports the communities of: Colville Lake, Deline, Fort Good Hope, Norman Wells, and Tulita.



North Slave District Office:

This District Office supports the communities of: Behchoko, Dettah, Gameti, Lutselk'e, N'dilo, Wekweeti, Whati, and Yellowknife.

South Slave District Office:

This District Office supports the communities of: Enterprise, Hay River, Hay River Reserve, Kakisa, Fort Providence, Fort Resolution, Fort Smith, and Salt River Reserve.

Nahendeh District Office:

This District Office supports the communities of: Fort Liard, Fort Simpson, Jean Marie River, Nahanni Butte, Trout Lake, and Wrigley

Local Housing Organizations (LHO)

LHOs, operating as agents of the NWTHC, are responsible for the administration of social housing rental units in the majority of the communities across the NWT. This includes public housing units as well as rental units under the Social Housing Agreement between NWTHC and Canada Mortgage and Housing Corporation (CMHC). The Public Housing Program is a rental program designed for individuals and families who do not have the financial resources to access shelter on their own. The NWTHC, in partnership with 23 LHOs, administers approximately 2,400 social housing units in 26 communities across the NWT. LHOs provide, under agreement with the NWTHC, property management services including the allocation of units, the assessment of rent, the collection of rents, and the provision of preventative and demand maintenance services. Each local housing organization has an advisory board which oversees LHO operations. The NWTHC's district offices are responsible for these operations in communities without an LHO.

- Aklavik Housing Association
- Behchoko Ko Gha K'òdèè
- Deline Housing Association
- Fort Liard Social Housing
- Fort McPherson Housing Assoc.
- Fort Providence Housing Assoc.
- Fort Resolution Housing Authority
- Fort Simpson Housing Authority
- Fort Smith Housing Authority
- Hay River Housing Authority
- Katlodeeche First Nation
- Inuvik Housing Authority
- Lutselk'e Housing Authority
- Norman Wells Housing Authority
- Paulatuk Housing Association
- Radilih Koe Housing Association
- Sachs Harbour Housing Assoc.
- Tsiigehtchic Housing
- Tuktoyaktuk Housing Assoc.
- Tulita Housing Association
- Ulukhaktok Housin Association
- Yellowknives Dene Band
- Yellowknife Housing Authority

Housing Infrastructure Investment Through CEAP and the NWTHC

In 2009 the federal government, through Canada's Economic Action Plan (CEAP) announced the provisions of approximately two billion dollars over two years to address the need for housing across Canada. In recognition of the distinctive needs of the North, CEAP provides \$200 million, over two years. This includes \$50 million for the Northwest Territories (NWT) to support the construction of new social housing units and to upgrade existing units. This will not only assist in providing affordable housing but also provide an immediate economic stimulus to the NWT, especially in smaller communities.

As part of its effort to reduce the cost of living and improve housing conditions in its communities, the Government of the Northwest Territories (GNWT), through the Northwest Territories Housing Corporation (NWTHC), has committed to match the federal investment to housing in the territory; bringing the total investment to \$110 million, between the two levels of government. The federal commitment to housing in the NWT is substantial and has required significant adjustments to NWTHC's delivery plans for 2009-10 and 2010-11 in order to fast-track previously planned delivery and to identify new projects. Specific and substantial investments in housing in the North need to be made on a more predictable and sustainable basis. The recent 2009 Community Needs Survey in the NWT suggests that the investments made over the last four years have not reduced the level of core need in many communities. The GNWT and NWTHC continue to urge the federal government for continued sustainable funding on housing.

An example of the many projects funded through this investment includes renovations to Northern United Place (NUP)

In July 2009, The NWTHC and Canada Mortgage and Housing Corporation (CMHC) provided the NWT Community Services Corporation with \$495,000 to retrofit the Northern United Place (NUP). The \$495,000 contribution was shared equally between the NWTHC and CMHC and was used to replace the siding on the building, replace windows, and to purchase and install a new boiler system. This work was completed in October 2009.

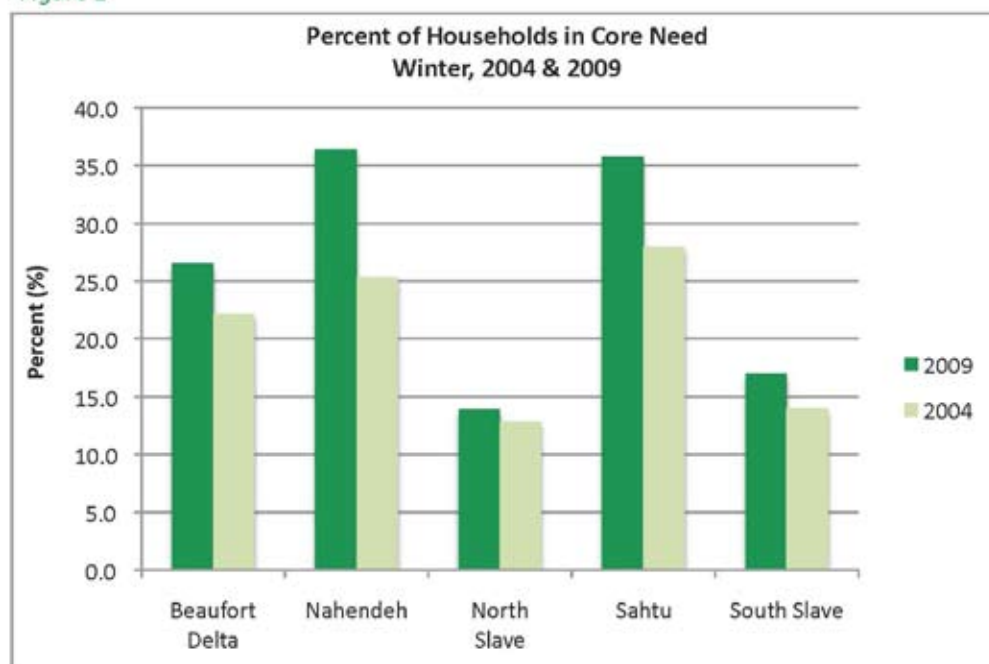


2009 NWT Community Survey

Housing Needs Component – Highlights

The Northwest Territories Community Survey is conducted as part of the NWTHC's legislated mandate to address and to continue to improve the state of housing across the NWT. The 2009 NWT Community Survey – Housing Component is a tool to monitor changes in housing conditions, assist in targeting resources to communities, guide program development for specific housing programs, and identify the incidence of need through various demographic groups across the NWT.

Figure 1



The 2009 NWT Community Survey – Housing Component shows that 19% of dwellings are now considered to be in core need. A household is in core need when it has a housing problem and an income below the Core Need Income Threshold (CNIT). The survey is conducted every five years and the survey data shows the housing need in the communities. The graph below illustrates these results.

These results indicate an increase in the number of households in core need between the years 2004-2009, from 16% to 19% despite the significant investment in housing infrastructure in recent years. It is clear that this level of investment is still not sufficient to keep up with the evolving housing conditions in NWT communities.

2009 *Housing Need Results*

- The Nahendeh and Sahtu districts have the highest proportion of households in core need (36%)
- Core need rose between 2004 in all 5 districts.
- Eight communities in the NWT saw their overall core need decline from 2004 to 2009. Those communities are Fort McPherson, Sachs Harbour, Tsiigehtchic, Norman Wells, Hay River, Hay River Reserve, Lutsel K'e and Kakisa.
- Four communities (Fort McPherson, Sachs Harbour, Tsiigehtchic and Kakisa) now have less than 30% of their households in core need.

Recent Federal investment in housing infrastructure, through the Northern Housing Trust and Canada's Economic Action Plan, which was matched by the Government of the Northwest Territories, has assisted the territories in addressing core need. However, long-term predictable funding from the federal government is needed:

- o to ensure a sufficient supply of affordable and social housing that recognizes the diverse and growing housing needs, priorities and conditions of the Territories; and,

- o for the operation and maintenance funding to ensure the viability of the public housing units across the NWT.

The Federal government's current per capita social housing funding formula is also not sufficient to address the increasing housing needs of the NWT. It is important for funding arrangements to take into account the higher cost of providing programs and services to northern remote communities. There is also a higher level of need in the territories as compared to southern jurisdictions.

The NWT continues to work with its Yukon and Nunavut partners to urge the Federal government, through Canada Mortgage and Housing Corporation (CMHC), of the need for a new approach to Northern Housing including long-term predictable funding, allocated according to need rather than per-capita, and including funding for operation and maintenance of the public housing units.





Responsibility for the Public Housing Program Rent Assessment

On June 1, 2010 the Government of the Northwest Territories will return the responsibility for Public Housing Program rental assessments to the Northwest Territories Housing Corporation (NWT HC). The Department of Education, Culture and Employment (ECE) currently has responsibility for assessing tenant income to calculate monthly public housing rent. The administration of the Public Housing Rental Subsidy (PHRS) by the ECE will be transferred back to the NWT HC. The Local Housing Organizations (LHOs), as agents of the NWT HC in the delivery of the Public Housing Program in 26 communities, will be conducting these assessments.

In the months leading up to the June 01, 2010 transfer, the number of assessments conducted by ECE declined from 73% in January 2010 to 65% on May 2010. Public housing tenants who were not assessed for the PHRS subsidy were assessed maximum unit rent. All public housing tenants must report their monthly income because public housing rent is assessed as a percentage of monthly income. If income is not reported, the maximum rent is charged, as the LHO does not know the amount a client should receive as a subsidy. Most tenants who have not had their reassessments completed are not participating in the process and are not submitting required documents.

Upon the June 1st transfer, ECE and the NWT HC will implement a process for rent reassessment by the LHOs. Public housing tenants have an opportunity to have their rent reviewed for the period of time when the NWT HC was not responsible for rent assessments. This will assist in determining if any corrections are required. The Northwest Territories Housing Corporation (NWT HC) and ECE continue to cooperate in providing assistance to those LHOs requiring additional support and assistance to complete rent re-assessments.

2010 Northern Housing Forum

The 2010 Northern Housing Forum (NHF) was hosted jointly by the Northwest Territories Housing Corporation (NWT HC) and Canada Mortgage Housing Corporation (CMHC). Delegates from countries as far away as Norway, Scotland, Finland and the United States joined participants from across Canada on March 22- 25 in Inuvik. It was the latest in a series of Northern Housing Forums hosted in various circumpolar countries and the first time it was held in Canada. The theme of the forum, “Sustainable Solutions: The Future of Northern Housing” attracted a wide range of people including designers, architects, planners, researchers, builders, policy developers, suppliers, housing professionals and representatives. The NHF is an alliance of private and public sector organizations with the shared vision of bringing together the most outstanding minds currently addressing the challenges of constructing northern shelter and empowering northern communities to build energy efficient, sustainable, culturally and geographically appropriate, healthy homes and communities. For much of the 20th century, housing in cold climates was addressed by technologies and materials from temperate climates, often with little understanding of how these might perform in extreme cold conditions. In the 21st century, climate change, rising energy costs, declining fossil fuel resources and other external pressures make it imperative to find innovative and appropriate solutions to these problems.

Over 150 people attended the successful NHF, creating a venue for sharing current and relevant northern housing issues, challenges, and solutions. It was a forum where projects across the Circumpolar Arctic could be highlighted to show advancement in research, design and technologies that work in the NWT and other northern regions.

Key note speakers and panelists from around the circumpolar north addressed building sustainable and appropriate buildings and communities, energy efficient technologies and materials, building science, energy systems and alternative energy options. Forum Sessions included:

- o Climate Change and Adaptation Strategies for the North
- o Strategies for Existing Buildings
- o Costing Lessons and Strategies
- o Capacity Building in Northern Communities
- o Slices of Time (Past & Present Northern Housing Projects)
- o Northern Design

The NWT HC’s commitment to reduce fossil fuel consumption, by retrofitting our existing buildings and building new homes, exceeds Canada’s most stringent energy efficiency standards. The NHF is one way to help the NWT HC and other participants learn what is working, what to avoid as we move forward, and share what we know about building homes in the north. The next NHF is to take place in Norway. The NWT HC, Alaska Housing Financial Corporation (AHFC), and CMHC have committed to work with the Norwegian delegation to provide assistance in organizing the next NHF.



Natural Resources Canada accepts NWT HC as an official builder of EnerGuide rated homes

Natural Resources Canada has granted the NWT HC a license that officially recognizes the NWT HC as a builder of EnerGuide rated homes. This recognition signifies that the NWT HC is a builder of houses that meet or exceed the minimum requirements for high energy efficiency under the EnerGuide for Houses initiative. After taking into consideration the commitment made by the NWT HC to build the Northern Sustainable House to an EnerGuide rating of 80 or better, the license was granted on March 15th, 2009.

Natural Resources Canada established the EnerGuide for Houses as a system and means for measuring energy efficiency. Resources Canada's website states that the EnerGuide Rating System (ERS) "is calculated based on standard operation assumptions so that you can compare the energy performance of one house against another. The EnerGuide rating system is a standard measure of a home's energy performance that provides a score from EGH 0 to EGH 100. A rating of 0 represents a home with major air leakage, no insulation and extremely high energy consumption. A rating of 100 represents a house that is airtight, well insulated, sufficiently ventilated and requires no purchased energy on an annual basis. An average 20-year home in Canada will typically score 66 on the EnerGuide scale. NWT HC houses typically score higher than the national average with energy profiling indicating that NWT HC current house designs rate at approximately EGH 77 and houses constructed in 1985 rate at EGH 72.

To become an officially recognized EnerGuide builder, an independent advisor must be brought in to evaluate a project either underway or completed to ensure the builder can meet the standard. In the case of the Northern Sustainable House in Inuvik an advisor was provided by the Arctic Energy Alliance to model all the energy-using aspects of the proposed home. The results indicated that once completed, the Northern Sustainable House was expected to achieve an EnerGuide Rating of 88.

The license allows the NWT HC to promote the EnerGuide for Houses program, and include the EnerGuide Rating System as part of its marketing activities. It also means that all new structures constructed by the NWT HC must meet, or exceed, the EnerGuide standard.



Trades Training in Tuktoyaktuk and Aklavik

The Northwest Territories Housing Corporation (NWT HC) in partnership with Aurora College (AC) in Inuvik provided hands-on trades training at the community level in both Tuktoyaktuk and Aklavik during 2009-2010. Both communities have high incidences of unemployment. Only 44% of Tuktoyaktuk's population and 36% of Aklavik's population are employed (2009 Community Statistics). The hope of the project was that residents of the community would gain experience in the construction trade and be able to work on other projects and/or pursue apprenticeships.



The availability of qualified labour is a critical issue to the success of the NWT HC's delivery of programs and services in NWT communities, and the NWT HC recognizes the need to support increased trades and skills training options for people interested in pursuing a career in construction. Projects such as this will have positive long term and short term benefits for both organizations. The NWT HC will have projects completed at a reduced cost and Aurora College can train their students on a real construction site.

Tuktoyaktuk

The agreement between NWT HC and Aurora College was finalized and signed in June 2009. It was a 22 week training program based on Aurora College's accredited Building Trades Helper (BTH) program. There was classroom training followed by 12 to 16 weeks of hands-on training to construct a new 2-bedroom house. Classroom instruction was based out of Aurora College's Mobile Trades Training Lab. The NWT HC supplied housing material package for the students' building project. The NWT HC retained ownership of the completed unit and the house was allocated to a client through the NWT HC's Housing Choices as a 'Homeownership Entry Level Program' (HELP) unit.

NWT HC's contribution:

- Provided a 2-bedroom detached material package.
- Provided a NWT HC owned lot for the construction of this unit.
- Provided gravel for the building foundation pad.
- Provided the power and heat (fuel oil) for the house at the jobsite.
- Finished the construction of the unit after the BTH program.

Ten students successfully completed the program. Although construction is generally a male dominated profession, one female also joined their ranks. Students built the entire frame and completed all the roofing for the house over a period of eight (8) weeks working six (6) hours a day. Everyone that undertook the training are now registered by the local voluntary employment registry. For the NWT HC it was a cost effective venture, saving the NWT HC between \$15,000 - \$20,000 in labour costs. The remaining work was subcontracted to a local contractor who was encouraged to hire from among the students participating in the training. As the first innovative collaborative project of its kind, it was a success and seen as a model/template that could be incorporated in other communities. At least one student has gone on to register for Aurora College's pre-apprenticeship carpentry program.

Aklavik

The NWT HC continues to support training in the construction field by partnering with Aurora College in Inuvik on a renovation project in Aklavik. This is the second partnership with Aurora College (Inuvik Campus) this year. Similar to the project in Tuktoyaktuk, Aurora College provided the instruction, students and on-the-job training, while the NWT HC provided the job site and materials. There was classroom training followed by 12 to 16 weeks of hands-on training renovating a 3-bedroom house.



NWTHC's contribution:

- Provided a 3-bedroom unit that required renovation.
- Provided materials required for the renovation.
- Provided the power and heat (fuel oil) for the house at the jobsite.
- NWTHC will finish the renovation of the unit after the BTH program is completed.

Ten students successfully completed the course. Students 'gutted' the interior of the building; removing all the studding, flooring, drywall, stripping it down, removing windows and two exterior doors. They then replaced the windows and doors, rebuilt the interior framing and added a new beam foundation. The NWTHC retained ownership of the completed unit. The house was completed as a HELP unit.

This innovative approach to trades training is of benefit to both partners, as well as a meaningful way of contributing to economic sustainability in the communities through the training and employment of community members. Non-tangible positive results include participants in the projects learning teambuilding, how to take direction and initiative.

The NWTHC obtains an asset at a reduced cost of production and in the future may also realize a reduced or sustainably constant cost level of contract bids with the utilization of more local workers. The communities in the Beaufort Delta region gained potential experienced workers in the construction trade and may increase the capacity for a local contractor which could help decrease construction costs. The NWTHC's Local Housing Organizations (LHO) gained potential new full/part-time employees with training and experience, and local and regional contractors may gain future workers.

From Rental to Homeowner

Margaret Lafferty was born and raised in Fort Simpson. The life-long resident has made her home in the community. She has also been a tenant of the Northwest Territories Housing Corporation (NWT HC) until recently when she made the move to become a homeowner, having successfully completed one of the NWT HC's homeownership programs.

"We first moved here as (renters)," said Mrs. Lafferty. She said her family moved into the home in 1971 and has now purchased the home through an NWT HC homeownership program. After renting her home for over thirty years, Lafferty was accepted to the program. She explained that she and her family had been renting the house for so many years they asked the NWT HC if they could purchase it.

The objective of the NWT HC's homeownership programs, is to assist NWT residents in need with a forgivable loan to purchase or rent to purchase a modest home. On August 1, 2011 Mrs. Lafferty earned her forgiveness for the loan provided to her under one of the NWT HC's homeownership programs. The mother of ten said the NWT HC staff has been very helpful.



"They did repairs for me here," she said. "They made sure my furnace was OK, gave me a new fuel tank and put new roofing on the house. That was really good." The NWT HC is pleased that Mrs. Lafferty has reached her goal of becoming a homeowner and had such success with the homeownership program.

NWT residents interested in homeownership can apply to the NWT HC for assistance under its Housing Choices homeownership programs. The Homeownership Entry Level Program (HELP) provides assistance to potential first-time home buyers. Clients who are not able to secure mortgage financing or are unsure of their responsibilities as homeowners are provided the opportunity of experiencing homeownership commitments before purchasing a home.

There is also the Providing Assistance for Territorial Homeownership (PATH) program that provides individuals the chance to become homeowners by assisting in the construction or purchase of a modest house. Clients also obtain additional funding from an approved financial institution or other verifiable sources.

Anyone interested in the NWT HC's programs should contact their NWT HC District Office or call 1-866-956-9842 to find out when the intake period for applications takes place.

Further information is also available at www.nwthc.gov.nt.ca

OUR PEOPLE

Tom Gross

With a life-long interest in architecture and design, Tom Gross has spent his career working in housing in the north. Tom, the Northwest Territories Housing Corporation's (NWT HC) Senior Technical Advisor out of the NWT HC's South Slave office, based in Hay River, is responsible for major capital projects that are undertaken by the Local Housing Organizations in the South Slave communities. He has been with the NWT HC for over 30 years.

Tom first came to the Northwest Territories from Ontario in 1977, sparking a love and interest in the north that would last a lifetime. He was just a teenager when he first arrived in the NWT, gaining employment with a construction company that sent him to build public housing in Ulukhaktuk, at the time known as Holman. He also went to Cambridge Bay and the eastern arctic to work for the same construction company. The son of a carpenter, it seemed natural that Tom would also have a career in building.

In 1979 Tom went back to Ulukhaktok to work for the Holman Housing Association, which was an agent of the NWT HC.

Tom was at the forefront of real changes to housing in the territory. He witnessed the transition from "matchbox" houses, basic housing with no running water or much insulation, to houses with plumbing and electricity. He said it was very interesting to be in the north during this transition period.

In 1984 Tom relocated to Cambridge Bay to work as Technical Coordinator for the NWT HC, where he oversaw maintenance for the whole Kitikmeot region. He moved up to the position of Maintenance Manager two years later.

In 1994, after spending roughly ten years in Cambridge Bay, Tom moved to Hay River, initially as a project officer and a land officer, eventually moving into his current position. He is the supervisor of two technical advisors. He and his team see to the tendering and completion of projects from start to finish, for example the construction, renovation and repair of homes, whether they are for the NWT HC's homeownership and public housing program or private dwellings. They also help the Local Housing Organizations (LHOs) with maintenance and repairs of public housing units, and conduct monitoring and inspections of all projects.

Tom said design and energy efficiency are his passion, specifically new developments that can reduce energy costs. He said he keeps an eye on new technology and if it can be incorporated into what the NWT HC is doing.





Beaufort Delta District Profile

Loretta Hopkins is the Northwest Territories Housing Corporation's District Director for the Beaufort Delta, which is comprised of eight communities: Inuvik, Aklavik, Fort MacPherson, Tsiigehtic, Tuktoyuktuk, Sachs Harbour, Ulukhaktuk, and Paulatuk. The Beaufort Delta office, with the main office located in Inuvik, has the distinction of being the most northerly district, with many of its communities located above the Arctic Circle.

Hopkins said that of all the Housing Choices programs, Homeownership Entry Level Program (HELP) has been most vital to the communities in the Beaufort Delta. HELP provides assistance to prospective first-time homebuyers who are unable to get a mortgage or are unsure of the responsibilities that come with owning a home. The program, part of the suite of Housing Choices, provides the opportunity to experience homeownership commitments before purchasing a home. According to Hopkins the biggest challenge is delivering housing programs to the most northerly communities, specifically Paulatuk, Ulukhaktuk and Sachs Harbour. Those three communities can only have construction materials brought in by barge during the fall months, meaning construction season is in winter. Hopkins also noted the difficulties in cost when dealing with the three communities, which are only accessible by plane. She said it makes it hard to deliver housing programs, particularly Contributing Assistance for Repairs and Enhancements (CARE), as the cost of flying in a contractor alone is very expensive. The Beaufort Delta does have an advantage in that a lot of their staff have been in their jobs for a very long time, which has allowed them to build strong, long-term relationships with the residents and community governments.

In March 2010 the Northern Housing Forum (NHF) was hosted by the Northwest Territories Housing Corporation (NWT HC) with support from the Canadian Mortgage and Housing Corporation (CMHC), in Inuvik. Hopkins said it was well received, with attendees coming in from all over the circumpolar regions of the world. Hopkins said the Aklavik Drummers and Dancers were an entertainment highlight for the forum, with one of the members also being an employee of the Aklavik Local Housing Organization. The forum was hailed as a success, attracting over 150 delegates, including architects, energy experts, contractors and city planners. The goal of the NHF was to generate discussion and explore northern housing issues and solutions, and foster relationships between individuals involved in the circumpolar housing industry. Reports from attendees said the forum was well organized and that the various presentations were current and the information was valuable.

Long Service Awards

FIVE YEARS

Jody Chatman
Property Management Administrator
Finance and Administration

Loraine Hewlett
Program Development Specialist
Programs and District Operations

John Kivi
Technical Manager
Sahtu District Office

Anita Lenoir
Senior Lands Officer
Infrastructure Services

Lorayne Menichoché-Moses
Programs Advisor
Nahendeh District Office

Doris Minoza
Directors Secretary
South Slave District Office

Terry Piwowar
Technical Advisor
South Slave District Office

Charles Sanders
Policy Analyst
Strategic Planning, Policy and Communications

TEN YEARS

Ian Henderson
Manager, Construction Services
Infrastructure Services

Chris Hewitt
Director
Nahendeh District Office

Cheryl Kaglik
Administrative Assistant
Beaufort-Delta District Office

Scott Reid
Director
Infrastructure Services

TWENTY-FIVE YEARS

Glen Collins
Technical Officer, Architectural
Infrastructure Services

Colin Kipling
IT Systems Specialist
Finance and Administration



Management Discussion and Analysis

Fiscal Year 2009-2010

Highlights

Affordable Housing Initiative

During fiscal year 2009-2010, the Northwest Territories Housing Corporation (NWT HC) and Canada Mortgage and Housing Corporation (CMHC) signed an amendment to the Affordable Housing Initiative (AHI) Program Agreement under Canada's Economic Action Plan (CEAP). This amendment to the AHI Program supports building new affordable housing and assists low-income households with needed renovations to their homes across the north. It enables the Corporation to receive funding of \$58 million in total from CMHC over a two-year period. The Government of Northwest Territories also committed \$58 million to the Corporation to match the funding from CMHC, with \$8 million required to be cost-shared as per the terms of the AHI Agreement.

For fiscal year 2009-2010, the AHI Program supported construction of 114 new units and renovation of 226 existing units under the public housing and homeownership portfolio, with \$28 million spent to date. A further 169 new units and renovations to 387 existing units are planned for completion during the next fiscal year.

Mortgage Payment Plan

The NWT HC has developed a collection initiative that provides opportunities for homeownership clients with mortgage arrears to become successful homeowners. The payment plan offers many of the same benefits realized under the Corporation's Housing Choices programs and is intended to improve the collections rates on the mortgage portfolio. All clients will be offered counseling on their mortgage through this plan and have the opportunity to select a payment plan that works for both the client and the NWT HC.

Managing Risk / Pressures

The following table outlines the key pressures facing the Corporation and the strategies being employed to mitigate, to the extent possible, these risks:

Key Risks / Pressures	Mitigation Strategies
Declining CMHC Funding	• Involvement with an inter-jurisdictional working group (provincial/territorial) to develop a strategic approach to engaging the Federal government. • Implementing a retrofit strategy that extends the design life of each public housing unit from 25 to 50 years by performing complete retrofits at years 20 and 35 after construction. • Build new multiplex units rather than fully detached units which are more cost effective to maintain.
Increase in Core Need (Quality of Housing)	• Continued allocation of funding under the Capital Budget towards the retrofit of the older public housing units.

Increased Utility Costs	- Improved energy efficiency by having all new housing designs comply with the EnerGuide for Houses (EGH) 80 rating by 2010. - Targeting all major retrofits to public housing units to be as close to the EGH 80 rating as possible. - Build new multiplex units rather than fully detached units, which are more cost effective to maintain.
Land Development Issues	Continue to work with community governments and the Department of Municipal and Community Affairs (MACA) to identify and develop suitable land for residential construction.

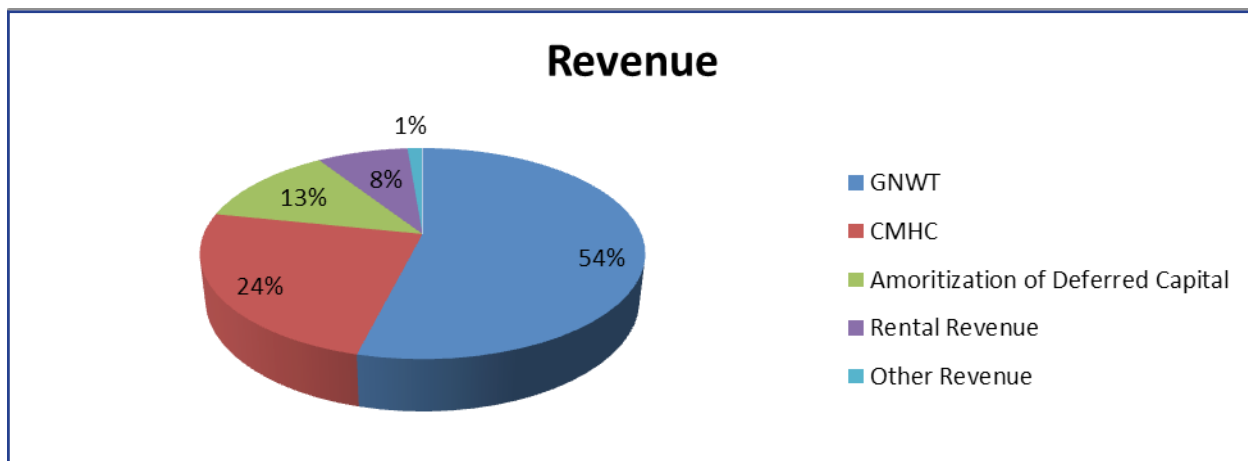
Financial Results

Revenues

Overall revenues for the Corporation were \$92.3 million in 2009-2010, an increase of \$0.6 million over the previous year's total of \$91.7 million. Government funding consisted of funding from the GNWT of \$49.8 million, federal contributions of \$22.4 million, as provided under the Social Housing Agreement (SHA) with CMHC, and the amortization of deferred capital funding of \$11.6 million.

In addition, the Corporation recorded \$24.8 million in funding under CEAP which was used to build and replace public housing during the current year as deferred capital funding.

Revenue generated from operations amounted to \$8.5 million in 2009-2010, of which \$7.3 million is the unsubsidized portion of rent revenue (tenant portion) received from public housing and homeownership rental programs. Other sources of revenue of \$1.2 million consisted of investment revenue, gain on disposal of tangible capital assets, mortgage interest revenue and other miscellaneous revenue and recoveries.



Operating Expenditures

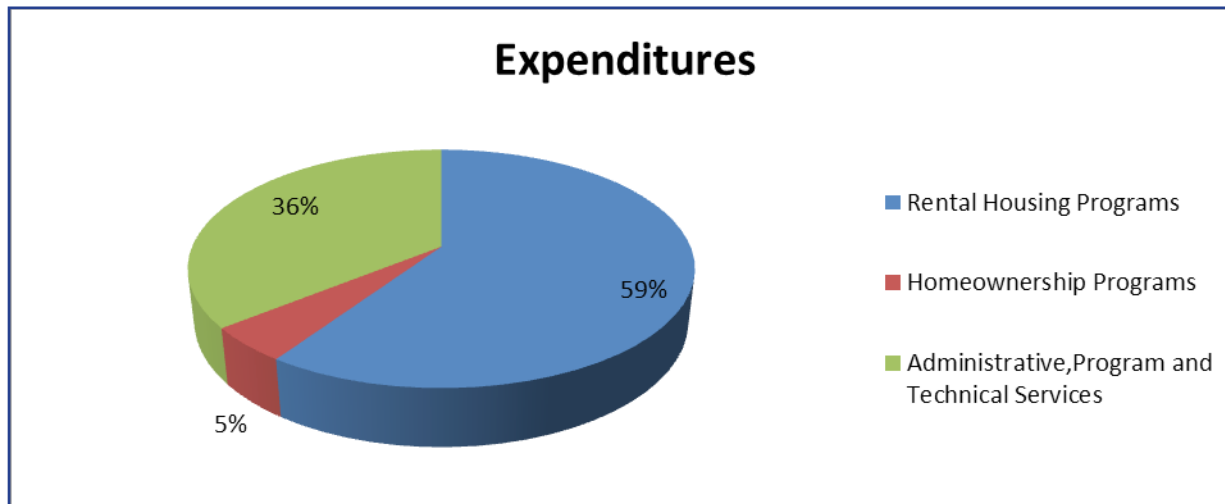
The Corporation's total operating expenditures for 2009-2010 were \$84.4 million, an 11% increase over the previous year (2008-2009 - \$75.8 million). The cost of operating the rental program was \$50.2 million which represents 59% of the annual operating costs of the Corporation.

Rental housing expenditures on utilities, taxes and land leases were \$19.3 million in 2009-2010, a slight increase over the \$18.9 million spent in 2008-2009.

Building repairs and maintenance costs related to rental housing were \$8.8 million in 2009-2010, an increase of \$2.6 million from the \$6.2 million spent in 2008-2009. Funding under CEAP for renovations to social housing, cost shared by the NWT HC, resulted in additional funding available for minor improvement projects.

Homeownership assistance grants were \$4.7 million in 2009-2010, an increase of \$2.2 million over the previous year

amount of \$2.5 million. This funding is used for the provision of homeownership grants and contributions to support improvements to existing homeownership units. The Corporation also had a net recovery, related to mortgage impairment charges, of \$710,000 in 2009-2010 which compares favorably to the net recovery of \$308,000 in 2008-2009. The Corporation spent \$30.2 million in Administrative, Program and Technical Services in 2009-2010, an increase of \$3 million from the \$27.2 million spent in 2008-2009. This increase is due mainly to the impact of collective agreement increases at the Corporation and LHO level and to the addition of nine term positions to support CEAP delivery. Costs include administration support, program development and delivery, technical support services and maintenance activities that occurred at LHO, District office and Headquarter level.



Financial Position

The Corporation continues to maintain a positive financial position in 2009-2010. The accumulated surplus has improved from \$41.4 million as of March 31, 2009 to \$49.3 million as of March 31, 2010 and the net financial resources increased from \$21.8 million as of March 31, 2009 to \$25.8 million as of March 31, 2010. This increase is due primarily to delays in the delivery of the Corporation's Infrastructure Plan and the requirement to carry over and defer capital projects.

The Corporation continues to maintain a positive net financial resources position to ensure future obligations can be met, particularly related to capital projects and contractual commitments and to mitigate financial risk associated with the \$29.4 million third party loans that the Corporation administers on behalf of CMHC. The Corporation indemnifies and save CMHC harmless from all losses, costs and expenses related to these loans, as provided under the SHA. The Corporation also provided loan guarantees to private sector companies in support of new construction or improvements of residential housing across the north. The total outstanding balance of loans guaranteed was \$5.9 million as at March 31, 2010.

Investment in Housing

As at March 31, 2010 the Corporation had \$221.2 million of investments in land and buildings, representing the amortized book value of 2,675 owned public housing, homeownership rental and market rental units. During the year, an additional investment of \$33.9 million was made in new properties or major renovation of existing properties. There were 29 housing units, with a carrying value of \$1.7 million, disposed of during the year through sale or demolition and \$11.1 million of property costs were amortized during the year.

Summary of Financial Results and Budget Projection (in millions of dollars)

	2005- 2006	2006- 2007	2007- 2008	2008- 2009	2009- 2010	2010-2011 Budget
Revenues						
GNWT	50.5	58.2	52.3	50.3	49.8	49.4
CMHC	6.5	6.4	6.4	20.3	22.4	20.2
Amortization of Deferred Capital	8.1	7.2	8.3	11.6	11.6	12.8
Other	11.2	8.2	13.0	9.5	8.5	10.5
Total Revenues	76.3	80.0	80.0	91.7	92.3	92.9
Expenses						
Public Housing Programs	48.5	50.3	54.0	46.4	50.2	51.1
Homeownership Assistance Programs	9.0	6.2	3.7	2.2	4.0	13.3
Administrative, Program and Technical Services	19.4	20.0	23.0	27.2	30.2	28.5
Total Expenses	76.9	76.5	80.7	75.8	84.4	92.9
Annual Surplus(Deficit)	(0.6)	3.5	(0.7)	15.9	7.9	-

Explanation of major variances over the five year period

Revenues

CMHC – with the Department of Education, Culture & Employment responsible for the administration of the Public Housing Rental Subsidy (PHRS) program, the CMHC operating funding provided under the SHA was accounted for as being provided by the GNWT for fiscal years 2005-2006 through 2007-2008. This accounting treatment changed in 2008-2009 and the funding was accounted for as being provided by CMHC, consistent with the SHA.

Expenses

Homeownership Assistance Programs – the funding available to provide as grants to homeowners (for the purchase or repair of homeownership units), varies from year to year depending on the total funding available and priority of this program versus increased investment in housing.

Administration, Program and Technical Services - from fiscal year 2005-2006 to 2007-2008, administration costs did not include the salaries & wages for maintenance staff at the LHO level. These costs were categorized as repairs and maintenance under the Public Housing program. This was changed in fiscal year 2008-2009, with all salaries & wages accounted for under administration.

Annual Surplus (Deficit)

For fiscal years 2008-2009 and 2009-2010, the Corporation incurred significant surpluses. This is due, in large part to the significant influx of Federal funding provided over this period and the incapacity of the Corporation to complete all projects as budgeted with various projects being deferred or carried over to future years.

Inventory Held for Use

During the year ended March 31, 2009, the Corporation changed the basis of accounting from Canadian Generally Accepted Accounting Principles (GAAP) for the private sector to Canadian GAAP for the public sector, as recommended by the Public Sector Accounting Board (PSAB). In accordance with Canadian GAAP for the public sector, the Corporation was required to record materials and supplies stored at the LHO level on the consolidated financial statements as "inventory held for use", rather than being expensed as in previous years. As at year end 2009-2010, the Corporation recorded \$2.1 million as inventory held for use.

The majority of the LHOs performed a comprehensive inventory count at the 2009-2010 year-end, however, the inventory system being currently used at the LHOs was not originally designed for year-end accounting and reporting purpose and as a result, there were inventory valuation issues at year-end. This led to a qualification on the audited financial statements of some individual LHOs and subsequently, the Corporation's 2009-2010 consolidated financial statements were qualified by the auditors due to indeterminable opening inventory balances and valuation of ending inventory balances.

Write-off of Corporate Debt

As indicated in Part IX, Public Agencies, Section 84 of the *Financial Administration Act* any asset, debt or obligation written-off during the financial year that exceeds \$500 must be reported in the annual report of the public agency.

As indicated in Section 82 of the *Financial Administration Act*, a public agency such as the NWT HC has the authority to write-off debts or obligations up to \$20,000. Any write-off requests above \$20,000 require the express authority of an Act through the Legislative Assembly. The Corporation has delegated the authority to write-off debts or obligations up to \$10,000 to LHOs. When debts are written off it does not mean these debts are forgiven and the NWT HC can still collect on them.

Listed below are the tenant damage and rental arrears approved for write-off in fiscal year 2009-2010:

Client Name	(\$) Amount	Client name	(\$) Amount
<u>Fort McPherson</u>		<u>Fort Simpson</u>	
Shawna Nerysoo	2,671	Kevin Allen	7,147
John Simon	2,198	Wayne Boutilier	1,684
Lisa Neyando/Brian Norman	2,796	Leo Jr Norwegian	681
		Paul Allooloo	2,749
<u>Inuvik</u>		Jonathoan Squirrel	7,089
Beatrice Amos	4,100	Dennis Tanche	10,000
Amanda Bernhardt/Dennis Hoover	1,281	Archie Villeneuve	641
Andrew Beveridge	1,871	Edward Villeneuve	1,162
Mary Day	2,875		
Danny Dillon	6,163		
Janice Elanik	885		
Raymond Firth	529		
Richard Firth/Deanna Larocque	8,405		
Robert Kendi	1,710		
Natasha Rogers	1,377		