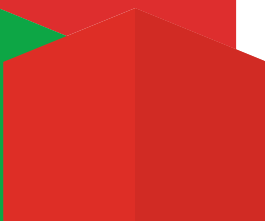


Blueprint for Action
on Housing

Meeting the Housing Needs of GN Employees

Discussion Primer

Nunavut Housing Corporation



Purpose of the engagement sessions

The Nunavut Housing Corporation (NHC) is working towards the development of a Blueprint for Action on Housing (BPAOH), in order to follow through with the Government of Nunavut's (GN) commitment in the **2013 GN Long Term Comprehensive Housing and Homelessness Strategy** ("Strategy") to respond to Nunavut's housing crisis.

The BPAOH will be an action plan that takes a GN-wide perspective on the issues, solutions, and future actions required to address housing challenges in Nunavut. The BPAOH will be informed by a series of inter-departmental engagement sessions in May and June of 2016.

The engagement sessions will be structured according to the four main goals outlined in the Strategy, as well as the key issues that characterize each of these goals. With a focus on the key issues, the engagement sessions will identify root causes, brainstorm potential solutions, and develop specific action items for inclusion in the BPAOH.

The four goals of the Strategy are:

1. Removing Barriers to the Supply of Housing
2. Reducing the Costs of Housing
3. **Defining Housing Demand Factors**
4. Increasing Investment in Housing

The purpose of this topic summary is to introduce the goal, Defining Housing Demand Factors, and the associated key issue of **meeting the housing needs of GN staff**.

Meeting the Housing Needs of GN Staff

Nunavut’s housing continuum is incomplete. The territory lacks a diverse range of housing options that are affordable and responsive to the needs of Nunavummiut.

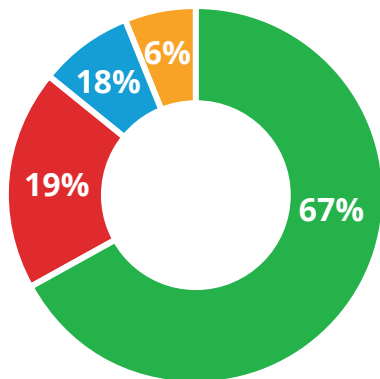
As a result, there is a deepening dependence on government subsidized housing to attract and retain government employees and movement to homeownership or private market rental remains limited.

A range and diversity of housing types are required to fill in the gaps of Nunavut’s housing continuum and allow individuals to realistically transition from one housing type to another. A household that receives one or more government paychecks should be in a reasonable position to consider buying a home or renting privately.

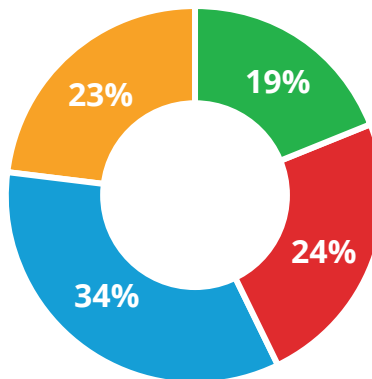
However, GN employees may be discouraged from transitioning out of subsidized staff housing due to a lack of incentive or choice. Government subsidies and incentives used to encourage one form of housing should not dissuade individuals from moving to other points along the housing continuum.

A review of the GN Staff Housing program is required to find ways to more effectively promote transition out of staff housing and into homeownership or private market rental.

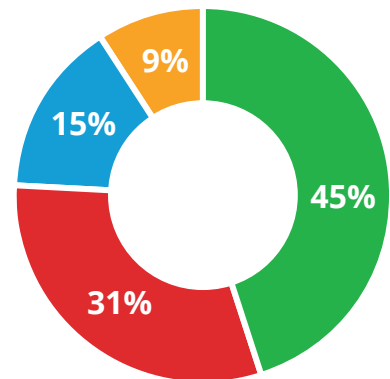
Housing tenure for all communities except Iqaluit, Rankin Inlet and Cambridge Bay



Housing tenure for Iqaluit



Housing tenure for Rankin Inlet and Cambridge Bay



Source: 2010 Nunavut Housing Needs Survey

Topic For Discussion

NHC proposes that **meeting the housing needs of GN staff will require a collaborative, interdepartmental approach** that addresses the gaps in Nunavut's housing continuum to define housing demand factors now and in the future.

Key Issue: Meeting the Housing Needs of GN Employees.

Staff housing remains an important retention and recruitment tool in Nunavut where the cost of living is high and affordable housing options are limited. For the foreseeable future, meeting the needs of GN employees will require the continued provision of existing and new staff housing units.

However, moving into private homeownership or rental is a realistic option for many GN employees. For staff housing to become a stepping-stone to private market rental or homeownership, the GN needs to consider changes to the program that encourage employees to transition into the private sector when market conditions make this a feasible option.

Additional issues and ideas to consider include:

- What are the primary issues/barriers to meeting the housing needs of GN staff?
- What challenges does the GN face as a result of the limitations of the current Staff Housing Program?
- Can we develop a plan for increasing the supply of staff housing to meet GN operational needs?
- How can the GN encourage transition from staff housing into homeownership or private rental (ex. homeownership programs, rent scaling, improved tenant education on the benefits of homeownership, etc.)?

Background / Substantiation

The GN relies on subsidized staff housing to attract and retain employees. In certain larger communities and in the Capital, staff housing is augmented by private market housing and homeownership. The opposite is true in some smaller communities however, where staff housing represents the only option available to employees.

A lack of affordable housing options in Nunavut is impeding movement along Nunavut's housing continuum. More housing options, as well as targeted homeownership programming, are needed to encourage employees to transition into private rentals or homeownership, and reduce dependence on government subsidized housing.

There are two main obstacles in the way of government employees considering purchasing a home or renting privately, a lack of incentive and a lack of opportunity. While GN staff housing is a necessary recruitment and retention tool, the subsidy provided to GN employees through reduced rents creates an economic disincentive that works against the establishment of private real estate markets. This is further compounded by a lack of opportunity, whereby there are just too few options on the private market to encourage employees to move out of staff housing.

The NHC has established homeownership programs to help with mortgage down payments and repair costs. These programs are intended to help tenants of public and staff housing make the transition into market housing. The GN can improve these programs by working with developers, municipalities, and financial institutions to increase the private rental market and make homeownership more attractive and affordable.

In the short term, the GN cannot abandon its Staff Housing Program as it is an important element in the government's recruitment and retention of employees; however changes will need to be made in order for staff housing to become a stepping-stone to private market rentals or homeownership. Employees should be encouraged to move into the private market housing when market conditions develop to a point where this becomes a feasible option.

Not only would this contribute to economic development and the development of a more robust private market, but it would also help to alleviate pressure on the GN's limited stock of staff housing units.

Current Situation

Nunavut housing crisis is complex challenge that touches all aspects of the GN's service delivery. The purpose of this section is to provide a summary of current and future departmental actions and priorities that are either directly, or indirectly linked to the Strategy goal of **Defining Housing Demand Factors** and associated key issue of **meeting the housing needs of GN employees**.

It is hoped that drawing connections between departmental priorities will foster greater collaboration across government to find more innovative and efficient approaches to prioritizing government spending.

Information has been drawn from pre-engagement interviews with departments, and from a review of current departmental business plans (2016-19), and is intended to act as a starting point for more focussed discussion during the engagement sessions.

Pre-engagement Interviews

- To address funding and supply challenges, the NHC needs a rationalization of how limited staff housing options are impacting the operations/business of other departments in the GN.
- There are limited options for transitioning out of staff housing. In particular, the GN needs a strategy for meeting the needs of aging and/or retiring employees.
- Exploring solutions inside the GN to improve the current staff housing program. For example, can the GN introduce rent scaling to eventually charge market rents?
- The incentives and benefits to employees who transition from subsidized staff housing into private homeownership are not well understood or promoted. The NHC has a role to play in engaging tenants on the benefits of private homeownership for individuals who can afford it.

Business Plan Priorities (2016-19)

- **NHC** has committed to conducting a thorough review of the GN **Staff Housing Policy**.
- **NHC** has also created a new approach for selecting communities for allocation of staff housing construction projects.
- The **NHC** has made changes to the homeownership program to increase access, improve the application process in order to encourage growth in Nunavut's homeownership market.
- The **Department of Finance** has committed to expanding the GN's profile as an employer of choice through increased recruitment/retention initiatives such as increased benefits, subsidies, and other incentives. Subsidized GN staff housing rents represent a main incentive program.
- **NHC** continues to work closely with the Department of Finance, GN Human Resources Division, and other GN departments to improve forecasting and assessment of staff housing needs.

GN Strategies

- Exploring housing options for GN staff is a priority under the **GN's Long-Term Comprehensive Housing and Homelessness Strategy**. Actions are focused on meeting the recruitment and retention requirements of GN staff while also providing supports for employees to enter the private housing market.
- Housing plays an important role affecting both staff mobility and the capacity for department's to hire and retain GN staff in the communities they are needed. The **Human Resource Strategy** prioritizes investment in education and training in order to attract and retain Nunavummiut and non-Nunavummiut for public service employment.
- Lack of staff housing is identified in the **Nursing Recruitment and Retention Strategy (2007)** as one of the biggest barriers to recruiting nurses in Nunavut. The Department of Health has committed to work with the NHC to address this issue and determine long-term solutions for staff housing.

