

Evaluation of Social Housing Policies

Yukon Housing Corporation

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EXECUTIVE SUMMARY

Yukon Housing Corporation commissioned this evaluation of selected operating policies and its capital planning process with respect to the rental component of its social housing program, including:

- ▶# Appeal By-law (enacted March 2005)
- ▶# Pets Policy (March 2006)
- ▶# Victims of Violence/Abuse Policy (December 2006)
- ▶# Asset Policy (June 2007)

The purpose of the review is to (1) document the implementation experiences of the policies; (2) assess the extent to which each policy is achieving its intentions; and (3) identify possible improvements that would help realize policy goals. The review also assesses the effectiveness of YHC's capital planning process.

A condition of Yukon's 1998 housing agreement with the federal government is that the funded programs be evaluated every five years; a previous evaluation was completed in 2004. Canada and Yukon recently announced they would contribute up to \$60 million over the next two years towards building new and upgrading existing units, with the expectation that 101 net new units would be added to the stock.

The Corporation (YHC) currently has 532 rental units dedicated to social housing; 335 are located in Whitehorse and the balance is divided among nine smaller communities. Since 2004, rental stock has grown about 1% per year.

The review resulted in the following conclusions and recommendations with respect to each of the policies in question.

Victims of Violence/Abuse Policy

Overall Conclusion:

The policy has been effective in providing priority consideration for housing to such victims, although some procedures and supports could be strengthened.

Recommendations:

1. Refine policy, procedures and supporting documents to clarify and emphasize the link between victim status and housing.
2. Conduct regular (at least annual) orientation/familiarization sessions for partner organisations and the recognized professionals who determine eligibility re violence/abuse. In addition, YHC should convene an annual or bi-annual forum to hear feedback about the policy, address policy nuances, and discuss emerging issues.

3. Introduce accountability mechanisms to the process, such as requiring all "recognized professionals" to (a) submit their professional credentials relevant to the role; and (b) attend a certification workshop prior to assuming their role; only those who are certified would have authority to sign the confirmations.
4. Explore with partner agencies connected with this policy, including the "recognized professionals," possible mechanisms to ensure that victims in social housing receive the additional supports they require to build healthy lives.

Pets Policy

Overall Conclusion:

The Pets Policy is a comprehensive policy statement that by all indications appears to be working as intended. Some minor adjustments might enhance its implementation.

Recommendations:

5. Resolve the absence of data in some rural communities with regard to damage caused by pets. It seems the method used by WHA works well; perhaps it could simply be adopted by other communities.
6. Develop an abridged version of the pets policy and distribute it to all tenants, in particular when they are first awarded housing.
7. Consider minor refinements or clarifications in policy wording. One of these would be to make it explicit that pet owners receive no special consideration in housing unit allocations.

Asset Policy

Overall Conclusion:

The policy is effective in enabling applicants who own assets, including homeowners, to apply for social housing. Relatively minor adjustments would enhance implementation, including removal of the policy's point rating system.

Recommendations:

8. Change the definition of assets to exclude income-bearing assets.
9. Allow debt owing on assets to be deducted in the calculation of their value.
10. Eliminate the practice of deducting points for applicants based on the value of their assets.
11. Develop a more explicit and rigorous Declaration of Assets Form.
12. If compliance is deemed to be an issue, make arrangements to investigate and confirm applicants' asset holdings through public agencies, banks and financial institutions.

Appeals By-law

Overall Conclusion:

This policy is not achieving its intentions due to the fact that local housing boards serve as the first level of appeal, but cannot be considered neutral or unbiased in making appeal decisions. Furthermore, members of appeal bodies require formal training to be effective.

Recommendations:

13. Create an appeal body independent of the WHA Board to hear first-level appeals of Whitehorse tenants, and possibly appeals from tenants in other communities.
14. Arrange formal training for appeal body members, such as through the Administrative Law course at Yukon College. Train a pool of, say, five people, any three of whom would be empowered to hear an appeal. Include representatives from community boards in such training where possible, with the aim of having at least one trained per community.
15. Address and resolve the issue of differing views regarding the WHA Board's role and decision-making authority.

Capital Planning

Overall Conclusion:

The YHC capital planning process appears to have suffered from the scarcity of capital budgets for housing over the past decade or more. Planning would be enhanced by more comprehensive housing needs assessments, improved Census data, and use of a rigorous capital planning model.

Recommendations:

Overall

16. Undertake social housing capital planning in the context of determining the most appropriate program responses for different types of housing needs and target groups.

For rehabilitation and maintenance of existing stock

17. Continue to standardise inspection reports and ensure that the remaining useful life of building components is estimated.
18. Use a life-cycle costing model to decide whether to replace or repair existing housing.
19. Use a Capital Requirements model such as the one developed by CMHC (Capital Replacement Planning Model).
20. When planning a new building, budget for and plan to spend or set aside an average of about 4% of construction costs to avoid long-term deterioration of social housing.

For new housing

21. Undertake housing needs studies in rural communities in conjunction with the local First Nation government, and develop strategic housing plans for rural communities.

22. Obtain more detailed housing needs related Census data for Whitehorse from Statistics Canada from the 2006 Census.
23. Participate in the planning of the upcoming 2011 Census to ensure that housing data needs are met.

Overarching Recommendations

24. Develop a board orientation/training package with support documents, e.g. a board policy and procedures handbook. Much of the relevant material exists now but requires organization and packaging for use by advisory board members.
25. Using the above-mentioned package as a base, design and hold an orientation workshop for all advisory board members, and particularly newly-appointed members.
26. Consider staging an annual conference or meeting for housing advisory board members, possibly in conjunction with the above-noted orientation workshop, to serve as a forum for information exchange, feedback, and discussion of housing issues.
27. Provide regular orientation and training as appropriate for partner agencies involved in implementation of YHC policies, e.g. victims of violence/abuse.
28. Create a formal procedure with regard to policy development within YHC.
29. Continue to assemble the policy tracking data used in this review, and develop similar data and indicators for other policies.
30. Assign additional resources (staff and budget) to the unit with responsibility for housing policy development (as this report was being written, it appeared that additional staff would be provided for the unit in the next fiscal year).

#

Introduction

Background

Yukon Housing Corporation has implemented Yukon's social housing programs for more than four decades. The Corporation's rental housing initiatives are partially funded under a 1998 agreement with the federal government that spans 30 years. This agreement replaced a series of federal/territorial operating agreements for individual housing projects, some of which dated back to the 1970s. A condition of this new agreement is that the funded programs be evaluated every five years; a previous evaluation was completed in 2004.

The 1998 agreement with Canada effectively devolved all responsibility for social housing programming to the Yukon Government. At the same time, it limited the federal contribution, initially to about \$4 million per year, declining until all federal funding expires in 2029. In mid-2009, the program received a major financial boost with the announcement that Canada and Yukon would contribute up to \$60 million over the next two years towards building new and upgrading existing units, with the expectation that 101 net new units would be added to the stock.

The Corporation (YHC) currently has 532 rental units dedicated to social housing; 335 are located in Whitehorse and the balance is divided among nine smaller communities, as detailed in **Table 1**. Since 2004, rental stock has grown about 1% per year. A waiting list for rental units consists of 83 families and individuals as of February 2010. Client eligibility, rental charges and conditions of tenancy are established through policy; monthly rent amounts are set at 25% of tenant income.

Table 1
YHC Social Housing Rental Units

Community	No. of Units
Carcross	6
Carmacks	18
Dawson	65
Faro	4
Haines Junction	22
Mayo	20
Ross River	14
Teslin	13
Watson Lake	35
Whitehorse	335
Total	532

In late 2009, YHC was subject to a performance audit by the Auditor General of Canada, who reported to the Yukon Legislative Assembly in February 2010. Among its many observations and recommendations, this report noted that the required five-year evaluation of the social housing program was late but currently underway. Other portions of the report were highly relevant to components of this review, notably the assessment of capital planning.

Scope of the Review

This review focuses on four operating policies and capital planning with respect to the rental housing component of Yukon's social housing program. It does not include those units managed by YHC that are designated for Yukon Government staff housing. The four operating policies and the dates they were enacted are:

- ▶# Appeal By-law (March 2005)
- ▶# Pets Policy (March 2006)
- ▶# Victims of Violence/Abuse Policy (December 2006)
- ▶# Asset Policy (June 2007)

The purpose of the review is to (1) document the implementation experiences of the policies; (2) assess the extent to which each policy is achieving its intentions; and (3) identify possible improvements that would help realize policy goals. In addition, the review assesses YHC's recently-completed capital plan for upgrading, replacing and expanding the present rental housing portfolio, in terms of its effectiveness in meeting Yukon's social housing needs over the long term.

It is important to note that this policy review is not an evaluation of Yukon's overall social housing program. It does not address such traditional evaluation questions as the effectiveness of the program or whether it might be delivered in a more efficient manner. YHC determined that its most pressing evaluative needs were centered on implementation of these four operating policies and the soundness of its capital planning.

Policy Context

The Housing Operations unit within YHC is generally responsible for implementation of operating policies, including the four in this review. This unit carries out all tenant relations, rent collection, and other day-to-day operations of the 532 rental housing units, as well as facilitation of the ten local housing advisory boards appointed from the communities in question.

Development of the four operating policies was coordinated through YHC's policy and planning unit, although the processes and depth of investigation involved in each appear to vary widely. Neither YHC nor other Yukon Government corporate agencies have defined a process for policy development, so that such factors as the steps, scope of investigation and degree of consultation applied to each policy are essentially left open.

A further significant factor in this policy process was the extent and organizational state of the policy unit itself. Since 2002, the Corporation's policy unit has been reduced substantially, first through a government-wide reorganization and second by a multi-departmental reorganization. The group has gone from a dedicated, internal YHC unit with a Director and four staff to the present arrangement in which a central policy unit with a Director and two staff is responsible for policy, planning and communications functions for YHC, the Yukon Liquor Corporation, and Lotteries Yukon. This steady erosion of YHC policy resources has resulted in a marked decline in housing policy development over the last several years.

No additional resources were allocated towards the implementation of the four policies within this review; they were to be implemented with existing staff and budgets. A one-day policy orientation workshop was held for YHC staff and board members in November 2006, focusing on the Victims of Violence/Abuse (VoV/A) and Pets policies. No similar sessions have been held since. The Field Services Manual for Housing Managers contains a number of directives to be used in implementing these and other policies, e.g. a 10-page section on VoV/A, and Board Meeting Procedures. The Manual hasn't been updated in recent years and some sections are out of date.

As the findings of this review will show, this policy environment within YHC over the past several years has contributed to implementation difficulties associated with some policies, as well as constraints in the Corporation's ability to address relevant and emerging policy issues.

Methodology

The methodology employed in this review included the following steps:

- ▶# An initial planning workshop to help develop an evaluation framework (available under separate cover), attended by YHC staff as well as local and corporate board members
- ▶# Interviews of approximately 20 individual YHC staff; members of housing boards; and stakeholders knowledgeable about the implementation of the various policies
- ▶# A survey of housing boards to document activities and experiences under each policy
- ▶# Focus group discussions featuring the housing managers and local boards in Dawson City, Haines Junction, and Whitehorse (designated the Whitehorse Housing Authority or WHA)
- ▶# Observation of a WHA board meeting that featured four appeals by Whitehorse tenants
- ▶# A focus group discussion with Whitehorse pet owner-tenants
- ▶# Analysis of appeals data compiled for the two years 2008 and 2009
- ▶# A second workshop with the participants in the initial planning workshop, in which the consultants presented and invited discussion on their preliminary findings
- ▶# A final presentation of findings and recommendations to the YHC Board of Directors.

VICTIMS OF VIOLENCE/ABUSE POLICY

Purpose

The Victims of Violence/Abuse Policy exists to ensure fair, equitable and consistent treatment of victims of violence/abuse (VOV/As) who seek social housing assistance. An evaluation in 2004 pointed to the need for such a policy. Extensive consultation was undertaken prior to the current policy being approved in December 2006.

Procedures

This policy is driven by a social-housing applicant requesting to be treated as a victim of violence/abuse. At that point, the eligibility of the applicant to obtain the benefits of this policy consists of three conditions:

- ▶# Canadian citizenship or equivalent;
- ▶# Canadian residence; and
- ▶# “Independent confirmation” by a “recognized professional” that the applicant “has been subject to violence/abuse from another individual”.

Once the applicant is deemed eligible, the individual receives priority consideration for housing. A point-rating system is used to rank applications, which in Whitehorse essentially compete for housing units that are in short supply. Of the five defined categories of applicants, VOV/A status gains the greatest number possible of automatically-awarded points. In other words, being deemed a VOV/A is a significant consideration in obtaining housing. A 10-page procedure directive guides staff in the application of the policy. A one-page information document provides guidance to recognized professionals to complete the Confirmation of Violence/Abuse Form.

There is a provision in the policy for the YHC Executive Committee (or delegate) to request further information from either applicants or recognized professionals, although this provision has not been used to this point. The policy also makes clear that YHC is not in the business of providing ongoing supports to victims; the only benefit offered is priority consideration for housing.

Experience to Date

The bulk of VOV/A applications are in Whitehorse, as shown in Table 2 below.

Table 2

Applications Status re Victims of Violence/Abuse (to February 2010)

	Applications	Placed in Housing	Pending
Whitehorse	105	54	9
Rural communities	12	9	0

One explanation for the small number of rural applications is that many VOV/As in rural Yukon who wish to escape their situation often move to another community, usually Whitehorse.

Of the 335 social housing units in Whitehorse, 15-20% is currently occupied by tenants who were given priority through the Victims of Violence/Abuse Policy. The number is growing steadily, facilitated of course by the policy, but abetted by the slow growth (about 0.6% annually) of the social housing stock over the past 15 years.

Issues and Findings

The wording of the policy and some related procedures lacks clarity, which in turn leads to some vagueness and misinterpretation around its intentions. The policy is intended to assist victims obtain housing in cases where housing is related to the violence; i.e. escape from a housing situation that features violence or abuse. However, the policy does not specify a direct link in time between the violence/abuse and the housing application. There is nothing to prevent the policy giving advantage to an applicant who has been free of violence/abuse for an extended period and whose current need for housing has no relation to any violence/abuse. YHC spokespeople maintain that this happens frequently.

YHC has no particular expertise in the area of domestic violence/abuse. Accordingly, the policy delegates to "recognized professionals" the key step of confirming the existence of violence/abuse with regard to an applicant. A problem arises when these outside individuals are not provided sufficiently clear guidance in the intent of the policy and their role in its implementation. This situation has led to varying interpretations of eligibility. Many people outside YHC who work with victims may seek any opportunity to help their clients rebuild their lives. The provision of housing can be a huge help in that regard, even if housing is not directly related to the violence/abuse experienced by the client.

There is a perception among WHA staff and board members that in some cases VOV/As obtain priority consideration for housing despite their circumstances not meeting the intent of the policy. YHC, however, has never challenged a confirmation of violence/abuse, and the policy does not identify mechanisms or even a forum for addressing such issues. The Corporation has effectively delegated this key point of eligibility to "recognized professionals," while not providing ongoing support for their efforts and not building in any accountability measures.

Kaushee's Place is the women's crisis centre in Whitehorse, providing first-stage housing for people and families in emergency situations, typically up to 30 days. The only second-stage housing designated for victims of violence/abuse in Whitehorse is also through Kaushee's Place, which has six units for this purpose - the only such units in the Territory. The de facto result of implementing the Victims of Violence/Abuse Policy is that YHC fulfills the function of second-stage housing for (at present) some 63 victims. Kaushee's Place will reportedly receive funding (not from YHC) for the construction of 10 new second-stage housing units in the near future.

YHC is not prepared with either programs or expertise to meet the needs of VoV/As; to the contrary, the policy is very clear that YHC is not in that business and provides no such services or supports. According to informants, many of these victims are ill-equipped to be responsible tenants, e.g. in cases where the person is only a few weeks removed from a long-term abusive situation. As a result, some are "set up for failure" when placed in a social housing unit; they become victims a second time when they fail to cope with the demands of such housing and are evicted. While housing is clearly an essential support for helping victims escape abusive situations, it is not the only support required. The scope of this policy, however, is limited to provision of housing; it is silent on the question of what or how additional supports might be provided to these tenants.

An issue that arose in this review was whether there should be some form of exit policy or criterion for tenants (in all categories, not only VOV/As) to leave social housing. The intent of the VoV/A policy is to grant priority consideration for housing so that victims can escape a violent or abusive domestic situation. Does it make sense for them to still occupy social housing many years later, when the threat has ended? Similarly, if a person moves to Whitehorse and is granted social housing under the medical relocation policy, should that individual be required to leave the unit once the medical treatment is concluded? There is currently no provision for consideration of such questions; once a tenant is in the system, and barring any breaches to the lease conditions, he or she can stay permanently. This is a policy question YHC may want to examine.

As noted previously, one orientation session was held to introduce this policy to boards and recognized professionals in 2006; no further sessions have been held since.

Recommendations

1. Refine policy, procedures and supporting documents (e.g. the Confirmation of Violence/Abuse Form) to clarify and emphasize the link between victim status and housing.
2. Conduct regular (at least annual) orientation/familiarization sessions for partner organisations and the recognized professionals who determine eligibility re violence/abuse. In addition, YHC should convene an annual or bi-annual forum to hear feedback about the policy, address policy nuances and weaknesses, and discuss emerging issues. The orientation session might also be used to serve this additional purpose.
3. Introduce accountability mechanisms to the process, such as requiring all "recognized professionals" to (a) submit their professional credentials relevant to the role; and (b) attend a certification workshop prior to assuming their role; only those who are certified would have authority to sign the confirmations. Not only would this measure ensure YHC knew exactly who was authorised to carry out this key step, it would also ensure the professionals had a clear and current understanding of the policy and their role in the process.

4. Explore with partner agencies connected with this policy, including the "recognized professionals," possible mechanisms to ensure that victims in social housing receive the additional supports they require to build healthy lives. These partners will surely acknowledge the need for such support services; they must also recognize that YHC is not in a position to provide them.

It is likely that these steps will greatly enhance the implementation of the policy and ultimately its effectiveness. If these measures prove ineffective, however, YHC could examine the option of creating an independent screening mechanism or body to carry out the confirmation of violence/abuse.

PETS POLICY

Purpose

The pets policy allows tenants to keep approved pets in social housing units while:

- ▶# Ensuring responsible pet ownership;
- ▶# Respecting the rights of other tenants; and
- ▶# Safeguarding YHC assets.

The policy document is comprehensive and well written. It was developed by a series of staff over many years.

Procedures

When a tenant indicates an intention to obtain a pet, he or she is given a copy of the pets policy. The steps to obtain authorisation prior to bringing the pet into the unit are well laid out. On occasion, YHC staff discovers that a tenant has an unauthorised pet in a unit. The policy prescribes the action to be taken. Administrative procedures, including application forms and various form letters, are in place to facilitate the administration of the policy.

Dogs are permitted only in units with outside entrances. Tenants are obliged to advise the landlord of any new pets coming or old pets leaving. This information is kept in a pet registry.

Occasionally, tenants complain about other tenants' pets. The policy requires complainants to put complaints in writing, and the process for dealing with complaints is described in the policy.

Experience to Date

There seem to be few if any issues with regard to pets other than dogs. Even then, the problems are few (see Table 3 below) and appear to be addressed effectively.

Table 3
Pets and Complaints

	Total Pets	Units with Dogs		Current Violations	Complaints (24 mons)
		# of Dogs	% of Units		
Whitehorse	49	16	4%	0	15
Communities	48	36	15-50%	5	7

Issues and Findings

The pet policy appears to be working effectively. There are relatively few violations or complaints and those that do arise are dealt with efficiently and effectively. Staff time required to administer the pets policy is relatively minor. It must be noted, however, that staff do not carry out all of the annual inspections prescribed under the policy, a process that would be quite onerous and time-consuming. Staff acknowledges that there are a number of "illegal" pets housed, and that housing

managers generally rely on spot checks and third party reports to locate the critters. The full inspection regime envisioned in the policy is not possible without additional resources.

Pet damage to units is specifically tracked in Whitehorse; damage due to pets is minimal. In other communities, such data are not routinely collected.

A focus group was held in Whitehorse to obtain feedback from tenants with pets; 20 tenants were invited and seven attended. Several who could not attend made comments over the phone. Few thought the policy should be changed. One tenant saw the inspections clause as prejudicial against pet owners. Generally tenants are very happy with the policy as it is. The only significant concern expressed was that this review might suggest YHC had plans to change the policy.

The question arose of whether certain units should be dedicated for pets. The consensus was that there seems little or no benefit to such a provision, and it would cause problems in allocation. It is possible that some applicants might attempt to undermine the intent of the policy to either give pet owner applicants higher priority for housing or enable them to get preferred units, e.g. one with an outside entrance. The allocation process does not enable this to happen and there was no indication that any such attempts were ever successful.

A significant number of violations result from professed or real ignorance on the part of the tenant regarding the limitations and obligations in pet ownership and the processes to follow. This could be overcome by simply providing an abridged copy of the policy to every tenant.

With the possible exception of the lack of resources available for inspections, no significant problems with the content or administration of the pets policy are apparent.

Recommendations

1. Resolve the absence of data in some rural communities with regard to damage caused by pets. It seems the method used by WHA works well; perhaps it could simply be adopted by other communities.
2. Develop an abridged version of the pets policy and distribute it to all tenants, in particular when they are first awarded housing.
3. Consider minor refinements or clarifications in policy wording. One of these would be to make it explicit that pet owners receive no special consideration in housing unit allocations.

ASSET POLICY

Purpose

The current assets policy was developed in response to a finding of the 2004 evaluation, namely to address the problem faced by Yukoners who wished to apply for social housing but also owned a home. Previous policy held that no homeowner could apply for social housing, and so candidates were forced to sell their homes in order to apply. This practice essentially created homelessness and was at odds with the YHC mission. The Board amended this approach and, through the Asset Policy, allows applicants who own housing or other designated assets up to \$100,000 in value to be eligible for social housing. The Asset Policy does not apply to applicants who qualify under the VoV/A or the Medical Relocation policies.

Procedures

Applicants for social housing must complete and sign a *Declaration of Assets Form* to accompany their application, listing all defined assets and their value. YHC asks for financial information for the 12 months preceding the application, and may "require written verification from the household... of the interest of any member of the household in any asset..." The Policy also includes a process for divestment of home ownership by an applicant, which must take place within a maximum of 180 days of the applicant moving to a YHC rental housing unit.

Experience to Date

Although housing managers do not track those potential applicants who are turned away from applying due to the \$100,000 asset threshold, the sense is that the number is quite small. In approximately 30 months since the policy was invoked, a total of 12 applicants (of whom nine owned homes) have listed assets in excess of \$50,000 but less than \$100,000; eight of these were in Whitehorse and four in outside communities. Of the eight applicants in Whitehorse, two were assigned housing and two were declined because the value of their assets exceeded the threshold.

Housing managers have requested clarification of a few Declarations, although none have been subject to additional investigation. There have been no written complaints about the policy, and no appeals have been made regarding its implementation decisions.

Issues and Findings

Issues relevant to this policy include questions about whether:

- ▶# The policy's implementation processes are effective in achieving its goal
- ▶# Asset definitions are fair and consistent
- ▶# The \$100,000 threshold is appropriate
- ▶# Compliance is assured and enforced.

These issues are highly inter-related. Concerns expressed by YHC managers along these lines can be gauged in terms of their effect on the policy's intent, namely to enable applicants who own

homes or other assets (with limited value) to be eligible for social housing. The policy has indeed been effective in achieving this goal, albeit within the quite narrow window of allowing assets up to \$100,000 in value. Through the application process, at least nine homeowners have applied for, and two have been granted, rental housing.

The \$100,000 threshold is an arbitrary figure and one open to debate, although any attempt to determine the "right" figure or an "objective" amount is bound to be a complex and protracted exercise. The amount of the threshold does not appear to be a significant issue at this time. To the extent that people with few assets and low incomes are associated with greater needs for social housing, the threshold serves the YHC mission of providing housing for those most in need.

Nevertheless, the definition of assets within the policy could be made more consistent with the accepted definition of personal net worth, which is the concept being applied. Factors that should be considered to help clarify and simplify the policy's application:

- ▶# The definition fails to distinguish between income-bearing assets and those that generate no current income. Income-bearing assets (e.g. pensions, annuities and allowances from independent third parties) should be excluded from the definition. Since YHC recovers 25% of this income in the form of rent, including these amounts as assets is unnecessary and a form of double counting of their value.
- ▶# The current Declaration Form does not specifically provide for debt owing on the assets, e.g. a mortgage on a house. A fundamental component of calculating net worth is deducting debt owed from the market value of the assets.
- ▶# If the \$100,000 figure is to be a true threshold, the graduated point scale in which one point is deducted for each \$25,000 worth of assets should be eliminated. This measure penalizes an applicant for owning any assets, which seems to contradict the intent of the policy. The implicit message is, "We will allow tenants assets up to \$100,000 in value but we will penalize every dollar they own." Furthermore, this point rating measure unnecessarily increases the staff and board workload re verification and calculation of point ratings.
- ▶# The alternative approach - if the point rating system was designated as the calculation mechanism - would be to eliminate the \$100,000 threshold entirely and simply deduct one point for every \$25,000 worth of assets owned by the applicant. This would be consistent with the YHC policy in which rent is calculated at 25% of income; both calculations account for the full range of a tenant's financial resources without the need to set - and justify and adjust - arbitrary limits on what is allowable or acceptable. The key point is that having both threshold and points systems in place is contradictory, punitive and confusing.

Compliance with the policy is an issue raised by some YHC staff concerned that an applicant might fail to declare all eligible assets or undervalue them to avoid encountering the threshold. While

these concerns are valid, the number of cases in which assets may require checking (about five per year) suggests this is not a significant problem area.

If compliance is deemed to be a problem, YHC has available a number of enforcement mechanisms common in the financial services realm. A sound initial, and relatively simple, adjustment would be to develop a more rigorous Declaration of Assets Form that calls for details of recent asset transfers and gifts; account numbers and contact details for banks and financial institutions; and permission for YHC to investigate all financial matters relevant to the applicant's household. This permission would enable YHC, where required, to check and verify such financial information as:

- ▶# Property and other asset ownership through title searches
- ▶# Income tax filings through Canada Revenue Agency
- ▶# Bank statements
- ▶# Investments

Since most or all of this information is available through online sources, and given the small number of potential cases to be investigated, such measures would not be overly time-consuming or costly. They would, however, satisfy most questions of compliance with the policy.

Recommendations

While no significant problems are associated with implementation of the Asset Policy, the policy would be enhanced through the following adjustments:

- 1) Change the definition of assets to exclude income-bearing assets.
- 2) Allow debt owing on assets to be deducted in the calculation of their value.
- 3) Choose between the two approaches of (a) setting an asset threshold, and (b) deducting points for applicants based on the value of their assets. Do not apply both systems.
- 4) Develop a more explicit and rigorous Declaration of Assets Form.
- 5) If compliance is deemed to be an issue, make arrangements to investigate and confirm applicants' asset holdings through public agencies, banks and financial institutions.

APPEAL BY-LAW

Purpose

The purpose of the Appeal By-law is to provide a clear and effective appeals process regarding YHC decisions affecting applicants for and tenants in rental housing. Although the By-law applies to other areas of YHC programming (such as loans for private home owners), the scope of this review includes only the rental housing component.

Procedures

The by-law or policy establishes two levels of appeal available to appellants:

- ▶# The first level employs local housing boards as the appeal committee
- ▶# The second (final) level employs a dedicated appeal committee comprised of two corporate board members and one YHC senior staff member.

Procedures described in the by-law include the requirement that appeals must be in writing; time periods are defined for designated communication between the appellant and the appeals bodies at each step of the appeal process; and confirmation of the right of the appellant to appear and be represented by an advocate.

In practice, when an appeal is received at either the WHA (first level) or YHC (second level) office, a designated staff member prepares a file of the appellant's history with YHC and all correspondence relevant to the appeal; copies of the file are sent to the appellant and all members of the board/appeal committee in advance of the hearing. During the hearing, the typical process is for the Chair to briefly summarize the matter before them and invite the appellant to address the reasons for the appeal. Once discussion is concluded, the appellant is excused and the appeal committee deliberates; a written decision must be delivered to the appellant within two calendar days.

Experience to Date

The vast majority of appeals relate to evictions of YHC tenants. In the years 2008 and 2009, YHC housing managers made 96 evictions, of which 81 were appealed; 72 of these appeals were in Whitehorse and the remaining nine spread among five communities. Three communities (Carcross, Faro and Ross River) had no evictions and no appeals. Appeal data for these years is summarized in Table 4.

Table 4
Summary of YHC Appeals 2008-09

	Whse	Carcross	Haines J.	Teslin	W. Lk.	Carmacks	Dawson	Faro/RR	Total
Number of rental housing units	383	6	18	23	35	18	64	16	563
No. of evictions	85	0	3	2	1	3	2	0	96
Local appeals heard	72	0	3	1	1	3	1	0	81
No. of local appeals granted	46	n/a	0	1	1	0	0	n/a	48
No. of local appeals denied	26	n/a	3	0	0	3	1	n/a	33
No. of appeals to Corporate level	8	n/a	0	0	0	0	0	n/a	8

Source: *Housing Manager reports completed in February 2010
(Mayo housing office with 19 units did not report).*

While Whitehorse features 68% of the reporting rental units, it represents 89% of the first-level appeals heard in the Territory. A more detailed breakdown of the Whitehorse appeal outcomes is presented in **Appendix 1** and summarized in Table 5 below.

Table 5
Outcomes of WHA Appeals 2008-09

Year	No. of Appeals	Granted	%	Denied	%	YHC Appeal (2nd level)
2008	39	22	56%	17	44%	4 denied; 1 granted
2009	33	24	73%	9	27%	3 denied
	72	46	64%	26	36%	7 denied; 1 granted

Source: *WHA internal data*

Issues and Findings

The primary concern with the appeals system currently in place is that local housing advisory boards are not independent or neutral bodies and therefore should not hear appeals of evictions and other housing managers' decisions. This point was made clear in correspondence¹ to the Whitehorse Housing Authority from the Ombudsman, who stated:

"The duty to act fairly requires that a person be entitled to a decision from an unbiased decision-maker. Bias is a lack of neutrality on the part of the decision-maker regarding the issue to be decided... The policy of having the WHA Board hearing an appeal of the very decision it made would likely fail the test for bias..."

¹ Letter to WHA from Ombudsman Hank Moorlag; August 11, 1999.

The same principle could of course be applied to local housing boards outside Whitehorse, although the small number of appeals (four or five per year in total) heard in these nine communities make it far less an issue than in the capital, where the figure averages three per month. If the YHC appeals process is to be effective - and seen as fair - it requires a body distinct and separate from the WHA Board to hear first-level appeals. Although financial considerations do not bear on this principle, creating a three-member appeals committee may well be more economical than having the full seven-member WHA Board hear appeals.

This issue of bias does not apply to the YHC Corporate Board, which appoints two representatives to the second-level Appeals Committee. Neither they nor the YHC staff appointee is involved in operational matters such as housing allocations and evictions, so the Appeals Committee may be considered neutral to such decisions.

With the exception of the two senior Appeals Committee members, no housing advisory board members have received training in the area of administrative law. The two sitting Board members of the Appeal Committee attended Yukon College's Administrative Law course in early 2009, and spoke highly of its value in carrying out their role.

It is notable that the WHA Board granted 64% of eviction appeals over the past two years. Since evictions are based on well-defined policies and precedents, such a high rate of appeals granted suggests a certain lack of understanding exists within the Board regarding the appeals function.

While carrying out research for this policy review, the evaluators observed that the WHA Board appears to hold different philosophies and perceptions of its role and responsibilities than those mandated by either the relevant enabling legislation or YHC managers. Without judging the merits of these differences, it is apparent that they are a distraction for many Board members and time-consuming for managers. This management issue needs to be resolved at the earliest time so that it does not continue to undermine the YHC-WHA relationship.

Recommendations

1. Create an appeal body independent of the WHA Board to hear first-level appeals of Whitehorse tenants, and possibly appeals from tenants in other communities.
2. Arrange formal training for appeal body members, such as through the Administrative Law course at Yukon College. Train a pool of, say, five people, any three of whom would be empowered to hear an appeal. Include representatives from community boards in such training where possible, with the aim of having at least one trained per community.
3. Address and resolve the issue of differing views regarding the WHA Board's role and decision-making authority.

ASSESSMENT OF CAPITAL PLANNING

Purpose

Capital planning is required to prepare budgets and to implement the strategic directions of the corporation. There are two facets to capital planning and budgeting:

- ▶# Retention and renovation of existing units
- ▶# Development and construction of new units.

Procedures

Different procedures are required for each of the two facets of capital planning.

Retention and renovation of existing units requires a fairly sophisticated inspection system, and a means of translating inspection results into priorities, plans and budgets. YHC has a sophisticated annual inspection system, and is currently improving upon it to ensure a common format. For capital planning purposes, the inspection system needs not only to identify current deficiencies, but also the expected remaining life of building components (e.g. appliances, roofing, etc).

Yukon Housing has also developed a “Triage” method of dealing with decisions about whether to renovate certain units or buildings. This method attempts to prioritise which units get capital repair considering the state of the building as well as the local demand. It is not clear, however, how buildings get deemed to be beyond economic repair, other than the views of admittedly experienced inspectors or by using a rigid age criterion of 40 years. In 2007, YHC explored two replacement scenarios for aging units: (1) Replacing 4 units annually; and (2) Replacing 10 units annually. However, no actual replacements occurred as a result of this exercise.

Planning for the development of new units—and sometimes the remodeling of new units—requires knowledge about housing needs of the general population, and a means of translating those needs into the number and types of dwelling units required. The development of new units has been fortuitous and opportunistic as there is no way governments can afford to build sufficient new units to house everyone in need. As well, social housing is not the only solution to meeting housing needs: other programs can do just as well and reduce the need for additional social housing. For example, one of the main rationales for renovation assistance is that it preserves the stock of older, lower-cost units and hence more affordable housing. Similarly, home ownership programs can reduce the demand for private rental housing, thereby keeping rents down and rental housing more affordable. So planning for new social housing units must not only consider housing needs, but how these needs may be best met by different programs, where the construction of social housing is one of a number of available tools.

Current Budget Situation

In its 2008-09 budget request, Yukon Housing identified the need for \$1.5 million worth of renovation of social housing units. However, the budget allocation remained at \$500,000 per year, as it had been in previous years.

Moneys from Canada's Economic Action Plan (CEAP) will also be used for upgrading social housing units, as well as for the replacement of existing units and the creation of new units. In the 2010-11 budget, a total of \$4.2 million will be allocated to the renovation and rehabilitation of social housing in that year, with \$3.7 million coming from CEAP. CEAP moneys will also be used to replace 30 units beyond repair and add 101 new units to the social housing portfolio, for a total of 131 new units to be built.

Issues and Findings

A report prepared for the three territorial housing corporations in 2007 examining the expiry of federal funding for social housing identified the problems faced by the three northern housing corporations. It identified the need for additional funding if the north was to keep its social housing stock. The key findings of that report were:

- *Social housing constitutes a very large proportion of rental housing in the North compared to the south*
- *Social housing is often the only option for middle and low-income families in rural northern communities*
- *Housing repair needs and especially crowding problems are relatively higher in the North. Although affordability problems are lower than in southern jurisdictions, this is because the large amount of social housing eliminates a large part of the affordability problem. Housing needs are increasing, if only because of demographic factors*
- *Costs of operating social housing are much higher in the North because of climate and isolation; rents cannot cover operating costs resulting in permanent deficits*
- *Housing deteriorates faster in the North*
- *Territorial governments spend relatively far more on housing than provincial governments and are facing a fiscal crunch*
- *The decline in federal funding as a result of the expiry of social housing funding will exacerbate the situation*

The Auditor General of Canada recently released its report on the YHC performance audit, and proposed a number of recommendations related to capital planning, including:

Section #32 □□□ Recommendation

The Corporation should document the inspection standards to be applied on its inspections of staff and social housing.

Section #36 □□□ Recommendation

A checklist or other standardized method should be established and completed as evidence of inspections taking place. Once the new maintenance reporting system is fully implemented, it

should be used to ensure that all major components of each housing unit has been inspected and to monitor and prioritize required repairs.

Section #72 □□□ Recommendation

The Corporation should develop integrated housing strategies, reflective of its mandate, which includes identifying housing needs compared with existing supply. The Corporation should also describe, as part of its strategic plan, how it plans to address identified gaps in housing and over a planned time frame.

Section #82 □□□ Recommendation

Once they are developed, the Corporation should use its integrated housing strategies as the basis for preparing its capital plan. The Corporation should also review its options for realigning the housing stock to provide appropriate types of housing identified in the integrated housing strategies.

The AG only partially addresses the capital planning issue and fails to put it in the context of a range of programs. Furthermore, the AG report considers only the match between needs and housing provision and assumes that all needs/groups are equal, i.e. YHC should treat singles the same way it treats families. But the question of which groups should be a priority is a policy issue, and not one of program performance, which is the purview of the AG performance audit. Waiting lists are not necessarily indicative of need, especially in small communities, as people might be discouraged from getting on the list if they know it is large.

A more thorough assessment of housing needs is required than that provided by waiting lists. Currently, the only (relatively) recent data on housing needs is from the 2006 Census. While the data for Whitehorse is reliable, it is clearly inadequate for rural communities because the numbers are too small and Statistics Canada suppresses publication of a large part of the potentially available data to avoid even remotely violating people’s privacy. The available housing needs data from the 2006 Census for the Yukon is as follows:

		<i>Household in core housing need</i>			
	<i>Total Households</i>	<i>Total Core housing need</i>	<i>Below Adequacy Standard</i>	<i>Below Affordability Standard</i>	<i>Below Suitability Standard</i>
Whitehorse Agglomeration	7,970	1,080	225	905	185
Rural Yukon	2,250	535	260	290	125
Total Yukon	10,220	1,615	485	1,195	310
Includes only private non-farm, non-band, non-reserve households with incomes greater than zero and STIRs less than 100% .Occupied private dwellings excluded are: 1,360 in Whitehorse, 1,030 in rural Yukon for a total of 2,390 excluded occupied private dwellings, many of which are band housing.					
Source: CMHC (census-based housing indicators and data)					

Some 1,615 Yukon households could benefit from some kind of assistance. Note that core housing needs includes those households who live in a dwelling needing major repairs (adequacy), are paying more than 30% of their income for shelter (affordability), or live in crowded conditions (adequacy) and who could not afford another dwelling in their community. The adequacy need could be met through renovation programs, but the affordability and adequacy needs combined require new affordable housing suited to the households in need.

Recommendations

Overall

1. Undertake social housing capital planning in the context of determining the most appropriate program responses for different types of housing needs and target groups. Bear in mind that social housing is the most expensive form of response and that different sectors of the housing market are closely interrelated.

For rehabilitation and maintenance of existing stock

2. Continue to standardise inspection reports and ensure that the remaining useful life of building components is estimated.
3. Use a life-cycle costing model to decide whether to replace or repair existing housing.
4. Use a Capital Requirements model such as the one developed by CMHC (Capital Replacement Planning Model – http://www.cmhc-schl.gc.ca/en/inpr/afhoce/tore/into/into_005.cfm) to plan future capital budget requirements.
5. When planning a new building, budget for and plan to spend or set aside an average of about 4% of construction costs to avoid long-term deterioration of social housing. Typically across North America, annual building maintenance, repair and renovation costs amount to about 4% of residential building construction costs.

For new housing

6. Undertake housing needs studies in rural communities, in conjunction with the local First Nation government. These would allow for the development of an overall strategic plan for rural communities.
7. Obtain more detailed housing needs related Census data for Whitehorse from Statistics Canada from the 2006 Census.
8. Participate in the planning of the upcoming 2011 Census to ensure that housing data needs are met.

OVERARCHING ISSUES AND RECOMMENDATIONS

In addition to the recommendations made regarding adjustments to specific policies, this review led to consideration of broader issues that pertain to all or most policies within YHC. The following recommendations fall in this category and flow from the analysis of the four operating policies and capital planning addressed in this review.

1. Develop a board orientation/training package with support documents, e.g. a board policy and procedures handbook. Much of the relevant material exists now but requires organization and packaging for use by advisory board members.
2. Using the above-mentioned package as a base, design and hold an orientation workshop for all advisory board members, and particularly newly-appointed members.
3. Consider staging an annual conference or meeting for housing advisory board members, possibly in conjunction with the above-noted orientation workshop, to serve as a forum for information exchange, feedback, and discussion of housing issues.
4. Provide regular orientation and training as appropriate for partner agencies involved in implementation of YHC policies, e.g. victims of violence/abuse.
5. Create a formal procedure with regard to policy development within YHC.
6. Continue to assemble the policy tracking data used in this review, and develop similar data and indicators for other policies.
7. Assign additional resources (staff and budget) to the unit with responsibility for housing policy development (as this report was being written, it appeared that additional staff would be provided for the unit in the next fiscal year). The rationale supporting such added resources is worth noting:
 - ▶#YHC operates in a complex, extended and demanding policy environment. As discussed in this review, effective management of social housing and other programs requires constant attention to the ongoing cycle of policy development» implementation» evaluation» adjustment. This complexity is multiplied by the present arrangement in which the policy unit is also responsible for the diverse portfolios of liquor and lotteries. (Despite such factors, the policy analyst positions are inexplicably classified at a junior level, which will make it difficult to attract experienced people with a suitable background.)
 - ▶#Due to the hiatus in housing policy development in recent years, the list of needed policies is long; a topical example is consideration of an exit policy re social housing tenants in general and victims of violence/abuse in particular.

- ▶# The February 2010 Auditor General report recommends several dozen policy and planning initiatives to which YHC has agreed, including a Strategic Plan, an options paper on risk management, and a new policy on YG staff housing, among others.
- ▶# Because housing plays such a pervasive role in both social and economic macro policies, a wide range of government-wide issues and initiatives are thrust upon YHC. Selected current examples include such initiatives as Social Inclusion; Chronic Inebriation; First Nation collaboration/relations; and the Abbeyfield Project proposal (minimum assisted/ shared seniors' living quarters).

All of these - and numerous other - initiatives represent a lengthy policy and planning agenda for YHC. The current policy and communications unit of three positions simply cannot sustain the workload required to fulfill this agenda. As indicated in this review, the recent shortage of resources has a direct cause-and-effect relationship with such current policy shortcomings as the absence of an exit strategy for tenants, and (as noted in the Auditor General report) a policy vacuum in the area of moving tenants to more appropriate housing units as their situations change.

Appendix 1

Status of Eviction Appeals

Whitehorse Housing Authority 2008-09

2008	# of Appeals	Granted	%	Denied	%	YHC Appeal
January	0	0	0%	0	0%	
February	1	1	100%	0	0%	
March	2	1	50%	1	50%	
April	1	1	100%	0	0%	
May	1	0	0%	1	100%	
June	3	0	0%	3	100%	
July	9	6	67%	3	33%	3 - denied
August	3	1	33%	2	67%	1 - denied
September	3	2	67%	1	33%	
October	4	3	75%	1	25%	
November	5	4	80%	1	20%	
December	7	3	43%	4	57%	1 - granted
TOTAL	39	22	56%	17	44%	5 - 80% denied

2009	# of Appeals	Granted	%	Denied	%	YHC Appeal
January	1	1	100%	0	0%	
February	3	3	100%	0	0%	
March	3	3	100%	0	0%	
April	3	1	33%	2	67%	
May	3	2	67%	1	33%	1 - denied
June	3	2	67%	1	33%	
July	1	0	0%	1	100%	1 - denied
August	0	0	0%	0	0%	
September	6	5	83%	1	17%	
October	4	3	75%	1	25%	
November	3	1	33%	2	67%	
December	3	3	100%	0	0%	1 - denied
TOTAL	33	24	73%	9	27%	3 - 100% denied

SUMMARY 2008-09

	# of Appeals	Granted	%	Denied	%	YHC appeal
2008 Total	39	22	56.41%	17	43.59%	4 denied; 1 granted
2009 Total	33	24	72.73%	9	27.27%	3 denied
	72	46	63.89%	26	36.11%	7 denied; 1 granted

Source: WHA internal data