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Asked by: Adam Arreak Lightstone MLA for Iqaluit-Manirajak

**Asked of: Hon. Patterk Netser
Minister responsible for the Nunavut Housing Corporation**

Number: 069 – 5(2)

Date: October 12, 2020

Subject: NHC Capital Carry Forward March 31, 2020

I am pleased to respond to this written question on behalf of the Nunavut Housing Corporation (NHC), submitted by Adam Arreak Lightstone MLA for Iqaluit-Manirajak, regarding the NHC Capital Carry Forward as of March 31, 2020.

Many factors contribute to dollar amounts being carried forward. Carry forwards are a product of varying construction schedules and limited sealift periods in a short building season. The availability of contractors in a community may affect when projects are awarded through the NHC tender process and completed. Payment for completed construction will also result in carry forwards.

It is worth noting that the NHC Capital Budget surplus should not be considered on a strict year-by-year basis. Instead, the analysis of capital programs should always be conducted considering projects' life span.

A significant expenditure of construction projects approved under a year's budget will not reflect on the NHC's financial statement until 1-2 years after this approval, due to the GN budget cycle: approval and operation procedures.

Question 1:

Provide the Capital budget appropriated April 1, 2019 for each of the following projects for the 2019-20 fiscal year;

- NHC 01 – Fire Damage Replacement
- NHC 02 – Homeownership programs – Nunavut
- NHC 05 – Modernization and Improvement/Retrofit – GN Funds (public housing)
- NHC 06 – Staff Housing Units
- NHC 09 – Homeownership Programs – Heating Oil Tank Replacement Program
- NHC 10 – Modernization and Improvement/Retrofit – Staff Housing
- NHC 11 – Mobile Equipment
- NHC 12 – Senior and Disabled Persons Preventative Maintenance Program
- NHC 13 – Public Housing Units
- NHC 14 – LHO Workshop, Warehouse & Administrative Offices

Response:

- **NHC 01 – Fire Damage Replacement = \$4,700,000**
- **NHC 02 – Homeownership programs – Nunavut = \$4,000,000**
- **NHC 05 – Modernization and Improvement/Retrofit – GN Funds (public housing) = \$11,299,000**
- **NHC 06 – Staff Housing Units = \$5,000,000**
- **NHC 09 – Homeownership Programs – Heating Oil Tank Replacement Program = \$500,000**
- **NHC 10 – Modernization and Improvement/Retrofit – Staff Housing = \$500,000**
- **NHC 11 – Mobile Equipment = \$1,120,000**
- **NHC 12 – Senior and Disabled Persons Preventative Maintenance Program = \$116,000**
- **NHC 13 – Public Housing Units = \$42,043,000**
- **NHC 14 – LHO Workshop, Warehouse & Administrative Offices = \$7,360,000**

Question 2:

Provide the Capital expenditures incurred during April 1, 2019 to March 31, 2020 for each of the following projects;

- NHC 01 – Fire Damage Replacement
- NHC 02 – Homeownership programs – Nunavut
- NHC 05 – Modernization and Improvement/Retrofit – GN Funds (public housing)
- NHC 06 – Staff Housing Units
- NHC 09 – Homeownership Programs – Heating Oil Tank Replacement Program
- NHC 10 – Modernization and Improvement/Retrofit – Staff Housing
- NHC 11 – Mobile Equipment
- NHC 12 – Senior and Disabled Persons Preventative Maintenance Program
- NHC 13 – Public Housing Units
- NHC 14 – LHO Workshop, Warehouse & Administrative Offices

Response:

- **NHC 01 – Fire Damage Replacement = \$616,000**
- **NHC 02 – Homeownership programs – Nunavut = \$4,832,000**
- **NHC 05 – Modernization and Improvement/Retrofit – GN Funds (public housing) = \$13,545,000**
- **NHC 06 – Staff Housing Units = \$8,275,000**
- **NHC 09 – Homeownership Programs – Heating Oil Tank Replacement Program = \$400,000**
- **NHC 10 – Modernization and Improvement/Retrofit – Staff Housing = \$604,000**
- **NHC 11 – Mobile Equipment = \$1,114,000**
- **NHC 12 – Senior and Disabled Persons Preventative Maintenance Program = \$22,000**
- **NHC 13 – Public Housing Units = \$47,326,000**
- **NHC 14 – LHO Workshop, Warehouse & Administrative Offices = \$1,306,000**

Question 3:

Provide the amount carry forward from March 31, 2020 to April 1, 2020 for each of the following projects;

- NHC 01 – Fire Damage Replacement
- NHC 02 – Homeownership programs – Nunavut
- NHC 05 – Modernization and Improvement/Retrofit – GN Funds (public housing)
- NHC 06 – Staff Housing Units
- NHC 09 – Homeownership Programs – Heating Oil Tank Replacement Program
- NHC 10 – Modernization and Improvement/Retrofit – Staff Housing
- NHC 11 – Mobile Equipment
- NHC 12 – Senior and Disabled Persons Preventative Maintenance Program
- NHC 13 – Public Housing Units
- NHC 14 – LHO Workshop, Warehouse & Administrative Offices

Response:

- **NHC 01 – Fire Damage Replacement = \$16,997,000**
- **NHC 02 – Homeownership programs – Nunavut = \$3,476,000**
- **NHC 05 – Modernization and Improvement/Retrofit – GN Funds (public housing) = \$6,357,000**
- **NHC 06 – Staff Housing Units = 5,350,000**
- **NHC 09 – Homeownership Programs – Heating Oil Tank Replacement Program = \$583,000**
- **NHC 10 – Modernization and Improvement/Retrofit – Staff Housing = \$1,699,000**
- **NHC 11 – Mobile Equipment = -\$9,000**
- **NHC 12 – Senior and Disabled Persons Preventative Maintenance Program = \$224,000**
- **NHC 13 – Public Housing Units = \$91,825,000**
- **NHC 14 – LHO Workshop, Warehouse & Administrative Offices = \$8,065,000**

Question 4:

Figure 1 above identifies that NHC 01 – Fire Damage Replacement – has drastically lower expenditures than planned. NHC loses numerous public housing units due to fires, why are expenditures so low?

Response:

NHC reviews fire replacement units in all communities in each public housing construction season and decides if they will be added to the new construction schedule. For the upcoming 2020/21 construction season, NHC will be using \$9.5 million of previously received fire funding to build units in the following communities: Iqaluit, Pond Inlet, Kugaaruk and Gjoa Haven.

Question 5:

Figure 1 above identifies that NHC 02 – Homeownership programs – has budget remained stagnant while NHC continues to deny applicants due to insufficient funds.

- a) When was the last time this project has seen an increase in the budget?
- b) There is significant demand for this program, why has NHC not increased it?

Response:

- a) **The last budget increase for Homeownership Programs was in NHC's Capital Budget 2010-11.**
- b) **Demand will vary with each fiscal year. NHC has seen an increase in applications for homeownership programs. Despite the increase in applications, NHC has not turned away any applicants based on its homeownership program budget. NHC is currently reviewing the overall Homeownership Program.**

Question 6:

Figure 1 above identifies that NHC 09 – Homeownership Programs – Heating Oil Tank Replacement Program - budget remained stagnant at \$500,000 a year, while lapsing roughly 50%. Why has this budget not been adjusted to meet demand, and reallocated to other priority areas?

Response:

NHC reviews and evaluates spending on all homeownership programs each fiscal year to identify programs where the funds can be better utilized. This program is also under review, along with all other homeownership programs.

Question 7:

Figure 1 above identifies that NHC 10 – Modernization and Improvement/Retrofit – Staff Housing - budget remained stagnant at \$500,000 a year while lapsing a significant amount on average in excess of 50%. Why has this budget not been adjusted to meet demand, and reallocated to other priority areas?

Response:

Staff Housing is made up mostly of newer units and therefore requires fewer minor repairs. Major M&I repairs do occur, and NHC needs these funds in place to complete this work when required. NHC will also evaluate any unspent funding to see if it can be utilized in other capital programs.

Question 8:

Figure 1 above identifies that NHC 12 – Senior and Disabled Persons Preventative Maintenance Program - Staff Housing - budget remained stagnant at \$116,000 while lapsing nearly 90%. Why has this budget not been adjusted to meet demand, and reallocated to other priority areas?

Response:

NHC is currently reviewing the overall Homeownership Program to see if programs can be funded or utilized more efficiently.