



Mr. John Apt  
Chairperson, Nunavut Housing Corporation  
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October 5, 2023

## **Nunavut Housing Corporation Letter of Expectation, 2023-24**

Dear Mr. Apt,

I am pleased to provide you with this Letter of Expectation for 2023-24. This letter outlines the priorities and goals to guide the Nunavut Housing Corporation (NHC) in the new fiscal year, guided by the Government of Nunavut's (GN) *Katujjiluta* Mandate.

This letter also outlines the important financial reporting requirements and responsibilities of NHC, intended to promote transparency and accountability in operations and governance. I look forward to working with the Board of Governors and Executive team as we strive to meet the housing needs of Nunavummiut.

### **Expectations and Priorities for 2023-24**

*Katujjiluta* represents this government's commitment to work collaboratively and cooperatively towards a better territory. *Katujjiluta* has identified expanding the housing continuum as a key priority area. NHC will play a leading or supporting role in many *Katujjiluta* strategic outcomes:

The *Katujjiluta* mandate identifies priority actions and expects the NHC to work effectively and collaboratively to meet the strategic outcomes outlined in the mandate implementation plan. This will require NHC to provide implementation reports to the oversight committees and Cabinet regularly. I look forward to updates on the following important priorities for the Corporation in 2023-24:

- Implementation of the Nunavut 3000 strategy, beginning with constructing public housing units, GN staff housing units, affordable housing units, and market housing units in early 2024.
- Assist the Department of Human Resources in reviewing and improving the delivery of Government of Nunavut staff housing.
- Work with the departments of Human Resources and Finance to review the Nunavut Household Allowance program.
- In collaboration with the Department of Community and Government Services, examine other GN assets across the entire portfolio that are either underutilized or deemed surplus.

- In collaboration with the Department of Family Services and Nunavut Arctic College, implement the first year of a plan for training with Nunavut Construction Development Corporation (NCCD) by signing a Memorandum of Understanding to formalize this cooperation. This involves leveraging Nunavut 3000 to provide up to 80 local training opportunities, to develop new pathways for trades training through a new Building Trades Technician certification to strengthen community capacity to build and maintain housing.
- Continue to strengthen the capacity of the Nunavut Housing Corporation Board of Directors by offering continued governance training, education opportunities and ensuring all Director positions are filled.

### Expanding the Housing Continuum: Katujjiluta mandate & NU3000

*The Katujjiluta* mandate identifies the expansion of the housing continuum as a key priority. The immediate need to respond to this crisis has often meant limited types of housing options were available to Nunavummiut. Addressing this issue will require NHC to work collaboratively with GN departments and stakeholders to assess the needs of our communities, consider design options for new builds, financing alternatives and supportive housing programs. Notably, the NHC is working to increase the housing supply by 3,000 units by 2030, including various housing options for Nunavummiut.

In addition to this, I expect the Corporation to implement its public housing construction targets outlined below:

- 2024: 178 Public housing units.
- 2025: 164 Public Housing units
- 2026: 161 Public Housing units

Achieving the construction goals mentioned above is crucial for the success of NU3000. NHC must utilize our limited resources efficiently by prioritizing a wider range of diverse choices and increasing the availability of affordable options. I am confident that NHC will continue demonstrating its ability to work collaboratively towards a shared objective.

### Partnership with Nunavut Construction Corporation Development Limited

To support the Nunavut 3000 strategy, NHC has set an initial target to deliver 1,400 new public housing units through conventional procurement processes and the partnership agreement with NCC Development (NCCD). In this regard, I would like a status report on whether the NCCD and NHC partnership are on track to achieve their objective to construct 150 new public housing units by the end of 2023-24.

### Lands for Homes Initiative

I was also pleased to see NHC working with their housing partners at Nunavut Tunngavik Inc. (NTI), Regional Inuit Associations, the Nunavut Association of Municipalities and Community Government Services on this important planning initiative. It is critical that we work now to support the lands and infrastructure challenges to ensure there is adequate supply of land and infrastructure to make Nunavut 3000 a success. I encourage NHC to continue this important dialogue and partnership with Inuit rights-holder organizations and communities to ensure we provide safe, healthy, and affordable housing to Nunavummiut.

## Needs & Demand Study

NHC's vision is to ensure families and individuals in Nunavut have access to a range of affordable housing options. This can be a challenge when faced with limited resources, therefore, it is important that NHC's programs are designed and delivered to those Nunavummiut who need them most. I commend the innovative solutions that the corporation is coming up with to tackle these challenges.

I note that the NHC is taking steps to provide an updated study of the 2010 Housing Needs & Demands Survey. The findings in this study are, which are based on the available data, related to key areas of inquiry such as the characteristics of households, how many homes Nunavut has now including the current number of available homes and the types of housing that are needed. In addition to working with the other GN departments, the study will help inform NHC's planning to meet its objectives to address the housing crisis in Nunavut and support the creation of 3,000 housing units by the year 2030.

The outcome also should inform housing construction to ensure the focus on developing a purpose-built housing policy for transitional housing, emergency shelters, people with disabilities, homeless individuals, individuals involved in the criminal justice system, and elder homes that support independent living. I look forward to the Study update being completed in the current fiscal year.

## Homeownership Programs

I encourage the Nunavut Housing Corporation to ensure any new Homeownership Programs align with the ambitious goals contained in the Nunavut 3000 Strategy and the Katujjiluta mandate. This includes ensuring Nunavummiut have more options and incentives for homeownership by providing them financial support and counselling for purchasing or building their own home. Investing in homeownership programs will help improve the quality and sustainability of Nunavut's housing stock and expand the territory's housing continuum.

Through its homeownership programs and support, the Nunavut Housing Corporation assists residents who can afford the costs of homeownership to secure and maintain their housing. As well, homeownership education and counselling services are provided to homeowners. These services include consultations regarding the purchase of existing homes or new home construction, repairs, renovations, bank financing and energy conservation. I encourage you to explore the expanding of your successful Tenant Education Program to include homeowners.

I acknowledge that significant challenges are associated with delivering homeownership programs in Nunavut, including needing more local contractors to complete larger projects for renovations and new builds. Further development of the local workforce was identified as a priority within the Katujjiluta mandate and the Nunavut 3000 strategy and will also contribute towards addressing this issue.

In 2023-24, I encourage the NHC to focus on the following areas:

- Holding consultations with the private sector and Inuit orgs/corporations to encourage development of market and affordable housing units and home ownership support programs.

- Complete the drafting of an affordable housing policy and new affordable housing programs.
- Collaborate with the departments of Human Resources and Finance to update staff housing policies and subsidies that encourage individuals wishing to move to private rentals or homeownership.
- Participate in a review of the Nunavut Household Allowance program, with the support from Human Resources and Finance, to identify possible improvements or changes.

### Condo Program

Condominiums in Nunavut address gaps that exist in our current housing continuum, providing Nunavummiut with access to affordable homeownership and an opportunity to live more independently and strengthen their quality of life.

I ask that the NHC ensure the GN staff condominium program continues to prioritize Nunavut Inuit beneficiaries, encouraging and promoting Inuit homeownership, which will in-turn support the GN's Inuit Employment Plan. I also ask that the NHC draw upon lessons learned and make every effort to finalize the sale of the remaining units, with the objective of having the majority of units sold within each condo corporation.

### Inuit Employment Plan

The GN Master Inuit Employment plan and NHC's detailed plan should continue to guide the Corporation's recruitment and human resources activities to increase Inuit employment at all levels. All departments and territorial corporations are responsible for implementing their respective Inuit Employment Plans, including effective use of training and development programs provided by the GN. All departments and territorial corporations are expected to report on progress semi-annually.

I look forward to seeing the Corporation's progress in implementing the 2023-24 Business Plan priority, which includes hiring 10 Inuit staff over the next fiscal year for a total of 46 Inuit employees.

### National Housing Strategy

I commend the NHC for the ongoing success of its partnership with the Canada Mortgage and Housing Corporation (CMHC). This year marks the sixth year of funding under the National Housing Strategy (NHS). I encourage NHC to continue meeting its commitments and reporting requirements outlined in the NHS Bilateral Action Plan, primarily the annual social housing construction targets which bring much needed units to our communities.

Nunavut is severely limited in the quantity and diversity of shelter for housing vulnerable Nunavummiut. I was pleased to learn that the NHC has partnered with the Department of Family Services to sign an addendum to the National Housing Strategy. This agreement will provide rent subsidies directly to families and individuals who need to rent housing units on the private market. The Nunavut Canada Housing Benefit is a \$9 million investment that will offer temporary relief during crisis situations, particularly for those who lack transitional housing. I understand that adapting programs to the unique Nunavut context can be challenging, and I encourage continued collaboration with CMHC to find effective housing solutions.

I want to commend NHC for making two applications to access funds through CMHC's Rapid Housing Initiative. These applications totalled almost \$45 million and went directly to constructing new public housing units. I would like to see NHC continue to explore further opportunities for partnerships with CMHC, particularly those that utilize cost-sharing through existing GN funding. I note that as of August 2022, Crown-Indigenous Relations, and Northern Affairs Canada (CIRNAC) provided grants totalling \$55 million to the GN to support the territory's short-term housing and infrastructure needs.

In addition to the efforts described above, it is important that NHC seek additional funding from our federal partners to support the targets identified for new housing units. This includes the Urban Rural Northern Indigenous Housing Initiative (URN). This pursuit of increased investments in housing will require a well-defined business case and strategic plan. I encourage NHC to work with northern partners such as NTI in a collaborative housing strategy.

### Public Transparency and Communications

As a public agency, it is critical for NHC to communicate effectively and clearly with the people they serve. I encourage NHC to continue working towards completing a comprehensive communications strategy. This strategy should include information on NHC's programs and services, including homeownership, condo, waitlist updates and any other programs to improve access and supports for Nunavummiut, particularly Elders. I look forward to reviewing the strategy and the launch of NHC's updated website in this fiscal year.

### Adoption of New Accounting Standards

The Corporation continues to implement Asset Retirement Obligations accounting standards relating to buildings that are owned by the Corporation that contain either asbestos, lead, mercury, or polychlorinated biphenyl (PCBs). This standard requires public sector entities to recognize liabilities for legal obligations to incur costs associated with the retirement of tangible capital assets on their acquisition, construction, development, or through their normal use and to expense those costs systematically over the life of the asset.

## **Accountability and Financial Management Reporting Expectations for 2023-24**

### Central Accountability Committee and Territorial Corporations Committee

NHC is encouraged to actively engage with the Central Accountability Deputies Committee (CAC) as well as continuing to participate in and contribute to the Territorial Corporations Committee (TCC). As the GN's audit committee, CAC plays an important oversight role in maintaining confidence in public government. The TCC not only supports CAC on the working level but provides an opportunity for collaboration with Nunavut's other territorial corporations, helping to foster a positive working relationship and allowing Corporations to work collectively to meet their statutory reporting requirements.

## Accountability and Financial Management Reporting

The foundations of the GN and its public agencies are built on maintaining public trust through adherence to the principles of good governance. This commitment to transparency and accountability requires us to meet all financial reporting requirements and responsibilities outlined in legislation.

The *Financial Administration Act* (FAA), in Section IX, Public Agencies, outlines the minimum reporting responsibilities and timeframes for Nunavut's public agencies, including provisions for territorial corporations. Additionally, please be aware that in the interest of increased transparency, accountability, and effectiveness, Ministers responsible for territorial corporations may issue directives to provide additional important information to the GN and Nunavummiut. Ongoing reporting responsibilities include tabling the following in the Legislative Assembly:

- NHC's Business Plan, to coincide with the tabling of the GN's Business Plan
- A yearly comprehensive report on all procurement, contracting and leasing activities undertaken by the NHC This report should contain at a minimum the information currently available in the GN Annual Procurement Activity Report, Lease Activity Report and Contract Activity report. I expect NHC to participate in the Territorial Corporations Committee's work to create and use a standardized template for Activity Reporting for all territorial corporations.
- During the first session of the Legislative Assembly, the NHC will provide formal responses to letters of expectation, letters of instruction, and Ministerial directives that they receive.
- Annual Reports, in accordance with Part IX of the *Financial Administration Act*.

Again in 2023-24, you are asked to ensure the following reporting requirements are submitted to the Department of Finance, through the Manager of Public Agencies, every quarter to using the Central Accountability Committee (CAC) reporting template and timeframe indicated below:

- Board approved budget variance reports should be submitted within 30 days of the end of the quarter.
- Reporting template will include corporate financials, policy and strategic planning, interim budget variance reports and expense projections for operations and maintenance, and capital. These are to be submitted within 40 days of the end of the quarter, including a year-end fiscal forecast with surplus/deficit reporting.

The NHC is also asked to work with staff at the Department of Finance's Financial Reporting and Controls division to provide all requested documents in the GN's ongoing effort to ensure Public Sector Accounting Standards are appropriately implemented:

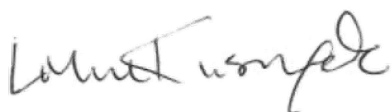
- All schedules and supporting documents required to prepare the consolidated public accounts at their earliest availability or as per the distributed requirement timetable.
- Management letters or other reporting (including NHC's response) issued by the auditor (both the Auditor General of Canada and any other independent auditor) for all audits conducted on NHC for the year.

- These reports will be presented to CAC as part of a mid-year update or upon the committee's request.

In the spirit of strengthening Nunavut's public agencies, it is important that dialogue and communication be ongoing throughout our government, and we continue to foster a close working relationship between NHC and the Department of Finance at all levels.

I look forward to discussing with you the priorities and expectations outlined here, as well as receiving your formal response to this letter.

Sincerely,



Hon. Lorne Kusugak  
Minister Responsible for Nunavut Housing Corporation

Cc: Eiryn Devereaux, President & CEO, Nunavut Housing Corporation  
Jeff Chown, Deputy Minister, Department of Finance