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Asked by: Adam Arreak Lightstone MLA for Iqaluit-Manirajak

Asked of: Hon. Margaret Nakashuk, Minister responsible for the Nunavut Housing Corporation

Number: 094 – 5(2)

Date: June 22, 2021

Subject: NHC Capital Carry Forward March 31, 2021

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, 2021.

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. In addition, the availability of contractors in a community may affect when projects are awarded through the NHC tender process and when they are completed. Payment for completed construction will also result in carry forwards.

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

The major expenditure of the 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, 2020 for each of the following projects for the 2020-21 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 = \$1,000,000**
- **NHC 02 – Homeownership programs – Nunavut = \$4,000,000**
- **NHC 05 – Modernization and Improvement/Retrofit – GN Funds (public housing) = \$10,632,000**
- **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 = \$1,125,000**
- **NHC 12 – Senior and Disabled Persons Preventative Maintenance Program = \$116,000**
- **NHC 13 – Public Housing Units = \$49,243,000**
- **NHC 14 – LHO Workshop, Warehouse & Administrative Offices = \$7,360,000**

Question 2:

Provide the Capital expenditures incurred during April 1, 2020 to March 31, 2021 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 = \$869,000**
- **NHC 02 – Homeownership programs – Nunavut = \$3,751,000**
- **NHC 05 – Modernization and Improvement/Retrofit – GN Funds (public housing) = \$9,582,000**
- **NHC 06 – Staff Housing Units = \$4,069,000**
- **NHC 09 – Homeownership Programs – Heating Oil Tank Replacement Program = \$364,000**
- **NHC 10 – Modernization and Improvement/Retrofit – Staff Housing = \$156,000**
- **NHC 11 – Mobile Equipment = \$1,126,000**
- **NHC 12 – Senior and Disabled Persons Preventative Maintenance Program = \$22,000**
- **NHC 13 – Public Housing Units = \$62,648,000**
- **NHC 14 – LHO Workshop, Warehouse & Administrative Offices = \$281,000**

Question 3:

Provide the amount carry forward from March 31, 2021 to April 1, 2021 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 = \$8,728,000**
- **NHC 02 – Homeownership programs – Nunavut = \$3,926,000**
- **NHC 05 – Modernization and Improvement/Retrofit – GN Funds (public housing) = \$5,649,000**
- **NHC 06 – Staff Housing Units = 6,281,000**
- **NHC 09 – Homeownership Programs – Heating Oil Tank Replacement Program = \$719,000**
- **NHC 10 – Modernization and Improvement/Retrofit – Staff Housing = \$2,043,000**
- **NHC 11 – Mobile Equipment = -\$10,000**
- **NHC 12 – Senior and Disabled Persons Preventative Maintenance Program = \$318,000**
- **NHC 13 – Public Housing Units = \$55,478**
- **NHC 14 – LHO Workshop, Warehouse & Administrative Offices = \$18,793**

Question 4:

NHC 01 – Fire Damage Replacement - the budget for this line item has increased from \$2.5M (2017-18) to \$4.7M (2019-20) while actual expenditures ranged from \$0.5M (2017-18) to \$0.6M (2019-20). over the same time period the accumulated budget in this line item grew from \$10.5M (2017-18) to \$17M (2019-20).

- a. Why are expenditures so low?
- b. How will NHC utilize the \$17M budget to address the replacement of fire-damaged units?

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 2021/22 construction season, NHC will be using \$3.450 million of previously received fire funding to build units in the following communities: Coral Harbour, Pond Inlet and Kugaaruk.

Question 5:

NHC 02 - Homeownership programs - Nunavut - The budget for this line item remained stagnant at \$4M while over utilizing the budget and turning down applicants due to insufficient funds? Why has NHC not increased the budget for this item

Response:

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

Question 6:

NHC 09 – Homeownership Programs – Heating Oil Tank Replacement Program - The budget for this line item has remained stagnant at \$0.5M (2017/18-2019/20) while lapsing roughly 50% which led to an accumulated budget of \$0.58M as of March 31, 2020. How will NHC utilize the funds to maximize return?

Response:

NHC reviews and evaluates spending on all homeownership programs in each fiscal year to identify programs where the funds can be better utilized.

Question 7:

NHC 10 – Modernization and Improvement/Retrofit – Staff Housing - The budget for this line item has remained stagnant at \$0.5M (2017/18-2019/20) while incurring expenditures at approximately 50% which led to an accumulated budget of \$1.7M as of March 31, 2020. How will NHC utilize these funds in a timely manner for the improvement of staff housing units?

Response:

The majority of GN Staff Housing units are leased. Owned Staff Housing units are made up mostly of newer units and therefore require fewer minor repairs. However, 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:

NHC 12 – Senior and Disabled Persons Preventative Maintenance Program - Staff Housing - The budget for this line item has remained stagnant at \$0.1M (2017/18-2019/20) while incurring expenditures at approximately 99% which led to an accumulated budget of \$0.22M as of March 31, 2020 (note the accumulated budget would be in excess of \$1M if it had not been reduced on April 1, 2018). Why has the budget remained stagnant, and how will NHC ensure the funds are expensed in a timely manner to provide assistance to seniors and persons with disabilities?

Response:

NHC reviews and evaluates spending on all homeownership programs in each fiscal year to identify programs where the funds can be better utilized.