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RESEARCH REPORT

SUSTAINING THE NON-PROFIT HOUSING SECTOR IN BRITISH COLUMBIA



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SUSTAINING THE NON-PROFIT HOUSING SECTOR IN
BRITISH COLUMBIA

A Study by
Marason Management Limited
In Partnership with
The BC Non-Profit Housing Association

Submitted to
Canada Mortgage and Housing Corporation

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- **Alice Sundberg** Executive Director, BCNPHA
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- **Tom Gill** Controller, Coast Foundation Society

As well, the consultants would like to express their gratitude to the key informants who gave of their time and knowledge to assist with the development of this project. Most of all, however, we want to thank the people on the front lines in societies all across the province who responded to our survey; without them there would be no study.

DISCLAIMER

While CMHC funded the study and many contributed to its content, Marason Management Ltd. is solely responsible for the positions and opinions expressed herein.

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¹ The members of the team for this project include George Lawrie, Principal and Peter Stobie Associate of Marason Management Ltd. as well as Jason Copas, Principal, of Community Focus.

EXECUTIVE SUMMARY

Introduction

Affordable, secure and safe housing contributes to the well being of Canadian households and promotes the growth of stable communities. The non-profit housing sector in British Columbia is making a key contribution in that regard by managing a variety of significant housing portfolios across the province. The sector currently faces a range of operational issues including uncertainty about its future sustainability. In light of those conditions, the sector is aware that it must develop long-term management strategies that maximize the utility of its available resources, now and for the future, and thereby help to ensure that it is able to continue to operate over the long term.

Research Issues

This study describes the size and complexity of the sector and uses that overview as part of the context within which to consider:

- ◆ the current management performance of the sector,
- ◆ the problems/successes it is experiencing,
- ◆ its attitudes towards those problems/successes and
- ◆ the options for improvement available to it.

Areas of particular interest include:

- ◆ consolidation and rationalization of common services or functions using shared service delivery models;
- ◆ increased cooperation among societies ranging from information exchange to joint business ventures to collaborative initiatives and
- ◆ expansion of the scope and effectiveness of volunteerism.

The Sector

The sector consists of 511 societies managing 1,248 housing developments which include almost 39,000 housing units. Of the 511, half manage seniors buildings only, while 76 manage family developments exclusively. More than 30% of societies house special needs clients exclusively and 21 societies provide shelter for a mixture of client groups. Almost two thirds of all societies manage a single building; only 8% manage 6 or more buildings.

The non-profit housing sector in BC responds to the normal concerns facing private property managers as well as the increasingly challenging issues presented by clients with a range of special needs, aging seniors with increasing health services demands and residents with behavioral issues.

The Survey

To address the research problem, a survey instrument was developed utilizing the expertise of the consulting team as well as input from the project steering committee and key informants in the sector. The final survey document, was vetted by the committee and field tested with societies selected from the Board of Directors from BCNPHA.

The survey is divided into 7 sections; section 1 includes introductory overview questions on management activities and subjects of special interest (sharing services and volunteerism); sections 2-6 cover main business areas - maintenance, tenancy management, governance, human resource management and financial management. Section 7 explores some of the future issues facing the non-profit sector and asks respondents to suggest ways to increase revenue and improve operating agreements.

The survey was administered to a representative sample of 379 non-profit housing providers from across the province utilizing email, fax and regular mail. A response rate of 36% (135 replies) was achieved.

Key Findings

Very few societies currently share services with other societies. However, assuming favourable financial circumstances, a large number are willing to consider sharing virtually all major services. This includes employed staff as well as contracted services and administrative systems.

Volunteers are moderately used across the sector and appear to be most involved with the delivery of tenant services and participating as board members. A significant number of groups want to increase the level of volunteerism but face barriers including difficulties in locating suitable people and in finding the time and staff resources to train and manage them. Shortages of suitable board members and individuals that could assist with operations are both apparent. Societies are looking for assistance and guidance in this area. They feel this resource needs to be further developed and managed on a larger scale, perhaps regionally.

While societies reported that the majority of current maintenance challenges were routine in nature and are being met with existing resources, there are growing concerns regarding their capacity to maintain current standards in this area, given uncertainty over future funding levels. As well, the sector is faced with increasing costs in labour and materials and as buildings age and systems deteriorate, these problems will increase.

Societies suggested a number of creative approaches to maintenance issues including the development of multi-disciplinary teams to provide advice on major problems and the

identification of specialist contractors to deal with substantial plumbing and other building system problems.

Societies reported a high level of board effectiveness and stated that they seldom faced governance issues. However, the issues they did report tended to be related to the role and activities of the board.

Those societies identifying board problems indicated that greater emphasis needs to be placed on training and development of Boards. This will be especially important as societies strive to improve their management practices in their efforts to achieve long term sustainability.

Only 40% of responding groups produce an annual plan. That number should increase given that many societies recognize that they need change and that success in implementing change is positively correlated with appropriate pre-planning. Societies appear to need guidance in identifying which operational adjustments would benefit them most and in developing effective implementation strategies for those adjustments.

Societies are seeking solutions to their human resource issues. There needs to be more energy focused on the development of strategies for the sharing of skilled staff and human resource policies within the sector.

The most significant challenge facing the sector is coping with financial challenges ranging from decreases in subsidies to increases in overall operating costs. It is clear that societies are willing to consider a wide range of alternatives in their efforts to cope with those challenges.

Respondents expressed a need for assistance and support as they strive to develop new strategies to reduce their reliance on government and improve their overall cost effectiveness.

Recommendations

Many of the societies who responded to this survey are sanguine about their current management practices. Most, however, feel they must improve further if they are going to be sustainable in the face of increasing operational challenges.

To assist in that regard, Marason Management Ltd recommends that this study be extended to a second phase which would provide societies with practical techniques designed to facilitate improvement.

We have identified four initial topics which we feel, based on this survey, would provide the broadest benefit to the sector:

- expanding the sharing of services/resources and extending bulk purchase opportunities including partnerships with other societies or the private sector as appropriate,
- developing more interaction, cooperation and exchange of technical expertise among societies,
- attracting, training and managing volunteers more effectively and
- increasing the scale and professionalism of fund raising.

We will consult with representative society members and experts appropriate to the initiative to sharpen the focus of these topics and develop workable delivery strategies. The resultant approach would then be tested in actual situations with volunteer societies and would be fine-tuned to ensure that it could be replicated in other situations, with minimal external support.

We have learned that the societies in the more rural areas of the province face a distinct set of problems. Paramount among them, they lack access to resources, including skilled trades people and professionals, that are usually more plentiful in larger centers. Accordingly, any initiatives that are developed will address these shortages and other rural specific issues so they are relevant to all parts of the province.

We recognize that government funding agencies have very little flexibility in light of their collective fiscal situations. However, given that the sector is willing to consider options that would improve their long term efficiency and cost effectiveness, we recommend that their funding partners determine how they could assist the sector to implement meaningful changes in that regard.

In return for progress in that area, the funding partners could examine how they might provide greater certainty concerning the long term funding of the sector. Such discussions might include the administrative efficiencies and other benefits that could become available when and if the *Social Housing Agreement* with the federal government was concluded.

Marason Management looks forward to working with CMHC, BCNPHA and members of the sector in completing the next component of this important work – the development of specific strategies that societies can use to contribute to their overall effectiveness and to improve their prospects for long term sustainability.

RÉSUMÉ

Introduction

Le logement abordable, sain et sécuritaire contribue au bien-être des ménages du Canada et favorise la croissance des communautés stables. Le secteur du logement sans but lucratif de la Colombie-Britannique apporte une contribution clé à cet égard en gérant une gamme de portefeuilles importants de logement d'un bout à l'autre de la province. Le secteur fait actuellement face à une gamme de problèmes d'exploitation, dont l'incertitude entourant sa durabilité dans l'avenir. À la lumière de ces conditions, le secteur est conscient qu'il doit élaborer des stratégies de gestion à long terme qui optimisent l'utilité des ressources à sa disposition maintenant et plus tard, s'assurant ainsi de pouvoir continuer de fonctionner à long terme.

Questions de recherche

La présente étude comprend un aperçu des dimensions et de la complexité du secteur qui situent une partie du contexte de l'analyse des points suivants :

- ◆ l'efficacité administrative courante du secteur;
- ◆ ses problèmes et ses réussites;
- ◆ ses attitudes envers ces problèmes et ces réussites; et
- ◆ les options dont il dispose pour améliorer les choses.

Les secteurs d'intérêt particulier sont notamment les suivants :

- ◆ le regroupement et la rationalisation des fonctions ou des services communs au moyen de modèles de partage de la prestation des services;
- ◆ l'accroissement de la coopération entre les sociétés, englobant tant l'échange d'information que les projets conjoints et les initiatives de collaboration; et
- ◆ l'élargissement du champ et de l'efficacité du bénévolat.

Le secteur

Le secteur est constitué de 511 sociétés qui gèrent 1 248 ensembles d'habitations qui comprennent presque 39 000 unités. De ces 511 sociétés, la moitié gèrent des immeubles pour les personnes âgées seulement et 76 gèrent des logements familiaux. Plus de 30 % des sociétés ont une clientèle exclusive de personnes ayant des besoins spéciaux et 21 sociétés ont divers groupes clients. Presque les deux tiers de toutes les sociétés gèrent un seul immeuble; seulement 8 % gèrent six immeubles ou plus.

Le secteur du logement sans but lucratif de la Colombie-Britannique réagit aux préoccupations usuelles des gestionnaires de propriétés privées et aux problèmes de plus en plus difficiles présentés par les clients ayant une gamme de besoins spéciaux, les

personnes âgées dont les besoins de services de santé augmentent et les résidents avec des problèmes de comportement.

L'enquête

Pour examiner le problème, nous avons élaboré du matériel d'enquête en recourant au savoir-faire de l'équipe de consultants et à la participation des membres du comité directeur du projet et des informateurs clés du secteur. Le document d'enquête final a été approuvé par le comité et mis à l'épreuve sur le terrain avec des sociétés choisies parmi les membres du Conseil d'administration du British Columbia Non-Profit Housing Association's (BCNPHA).

L'enquête est divisée en sept sections : la section 1 inclut des questions d'introduction de l'aperçu sur les activités de gestion et les sujets d'intérêt spécial (le partage des services et le bénévolat); les sections 2 à 6 couvrent les principaux secteurs d'activité : la maintenance, la gestion des locations, la gouvernance, la gestion des ressources humaines et la gestion financière. La section 7 explore quelques-uns des problèmes auxquels le secteur du logement sans but lucratif devra faire face et demande aux répondants de proposer des façons d'accroître les revenus et d'améliorer les ententes d'exploitation.

L'enquête a été menée auprès d'un échantillon représentatif de 379 fournisseurs de logement sans but lucratif d'un bout à l'autre de la province, par courriel, par fax ou par la poste. Un taux de réponse de 36 % (135 réponses) a été réalisé.

Constatations clés

Très peu de sociétés partagent actuellement des services avec d'autres sociétés. Cependant, dans des circonstances financières favorables, un grand nombre sont prêtes à envisager de partager pratiquement tous les grands services. Cela comprend le personnel, les services contractuels et les services administratifs.

Les services des bénévoles sont utilisés modérément dans le secteur et ceux-ci semblent surtout participer à la prestation des services aux locataires et faire partie des conseils. Un nombre considérable de groupes veulent augmenter le niveau de bénévolat, mais font face à des obstacles, dont la difficulté de trouver des personnes convenables et également le temps et les employés nécessaires pour les former et les gérer. Le manque de membres convenables des conseils et le manque de particuliers qui pourraient faciliter les activités sont tous les deux apparents. Les sociétés cherchent de l'aide et de l'orientation dans ce secteur. Elles croient qu'il faut développer cette ressource et la gérer sur une plus grande échelle, peut-être sur une base régionale.

Même si les sociétés ont rapporté que la majorité de leurs défis courants de maintenance sont de nature routinière et qu'elles parviennent à les relever avec les ressources existantes, elles s'inquiètent de plus en plus de leur capacité de maintenir les normes courantes dans ce secteur, compte tenu de l'incertitude entourant les futurs niveaux de financement. Le secteur est en outre aux prises avec l'augmentation des coûts de la main-d'œuvre et du matériel; la détérioration des immeubles et des systèmes exacerbera également ces problèmes.

Les sociétés ont proposé des approches créatives à l'égard des problèmes de maintenance, dont la mise sur pied d'équipes multidisciplinaires pour donner des conseils sur les grands problèmes et l'établissement d'une liste de contractuels spécialistes pour régler les grands problèmes de plomberie et de systèmes de bâtiments.

Les sociétés ont fait état d'un degré élevé d'efficacité des conseils et ont dit qu'elles avaient rarement des problèmes de gouvernance. Mais les problèmes qu'elles ont rapportés avaient tendance à être liés au rôle et aux activités du conseil.

Les sociétés qui ont fait état de problèmes avec le conseil ont dit qu'il faut accorder plus d'importance à la formation et au perfectionnement des membres des conseils. Cela sera particulièrement important pendant que les sociétés s'efforcent d'améliorer leurs pratiques de gestion dans leurs efforts afin de réaliser la durabilité à long terme.

Seulement 40 % des groupes répondants publient un plan annuel. Cette proportion devrait augmenter compte tenu du fait qu'un grand nombre de sociétés reconnaissent qu'elles ont besoin de changement et que la réussite de la mise en oeuvre du changement est bien accompagnée par une préplanification convenable. Les sociétés semblent avoir besoin d'orientation pour déterminer les rajustements opérationnels qui leur profiteraient le plus et pour élaborer des stratégies efficaces de mise en oeuvre de ces rajustements.

Les sociétés cherchent des solutions à leurs problèmes de ressources humaines. Elles ont besoin de se concentrer plus sur l'élaboration de stratégies de partage des employés compétents et des politiques des ressources humaines du secteur.

Le défi le plus important pour le secteur est de composer avec les défis financiers qui vont de la diminution des subsides aux augmentations des coûts d'exploitation généraux. Il est clair que les sociétés sont prêtes à envisager une vaste gamme de solutions de rechange dans leurs efforts pour composer avec ces défis.

Les répondants ont exprimé un besoin d'aide et de soutien pendant qu'ils s'efforcent d'élaborer de nouvelles stratégies pour réduire leur dépendance du gouvernement et améliorer leur rentabilité de façon générale.

Recommandations

Un grand nombre des sociétés qui ont répondu à l'enquête étaient optimistes quant à leurs pratiques courantes de gestion. La plupart croient toutefois qu'elles doivent encore s'améliorer pour devenir durables face à la croissance des défis d'exploitation.

Afin d'aider à cette fin, Marason Management Ltd recommande de prolonger la présente étude d'une deuxième phase qui fournirait aux sociétés les techniques pratiques conçues pour faciliter l'amélioration.

Nous avons identifié quatre sujets initiaux qui, selon la présente enquête, nous apparaissent être les plus avantageux pour le secteur :

- élargir le partage des services et des ressources et accroître les possibilités d'achat en bloc, y compris les partenariats avec d'autres sociétés ou le secteur privé selon le cas;
- élaborer plus d'interaction, de coopération et d'échange de savoir-faire technique entre les sociétés;
- attirer, former et gérer les bénévoles plus efficacement et
- accroître l'échelle et le professionnalisme de la levée de fonds.

Nous consulterons les membres des sociétés représentatives et les experts qui conviennent pour l'initiative afin de focaliser sur ces sujets et d'élaborer des stratégies faisables de prestation. L'approche qui en résultera sera alors mise à l'épreuve dans des situations réelles avec des sociétés volontaires et sera peaufinée pour assurer qu'elle pourra être reprise dans d'autres situations, avec un minimum de soutien externe.

Nous avons appris que les sociétés des secteurs plus ruraux de la province font face à des problèmes distincts. Le premier, le manque d'accès aux ressources, y compris les personnes qualifiées et les professionnels, qui sont habituellement plus nombreux dans les centres plus grands. Par conséquent, toutes les initiatives élaborées porteront sur ces pénuries et d'autres questions particulières de la ruralité pour être pertinentes dans toutes les parties de la province.

Nous reconnaissons que les organismes de financement du gouvernement ont très peu de flexibilité à la lumière de leurs situations financières collectives. Toutefois, compte tenu du fait que le secteur est prêt à envisager les options qui amélioreraient son efficacité et sa rentabilité à long terme, nous recommandons que les partenaires de financement déterminent comment ils pourraient aider le secteur à mettre en œuvre les changements significatifs à cet égard.

En retour d'une évolution de ce côté, les partenaires de financement pourraient examiner comment ils pourraient offrir plus de certitude concernant le financement à long terme du secteur. De telles discussions pourraient inclure l'efficacité administrative et les autres avantages qui pourraient se produire advenant l'adoption de l'*Entente sur le logement social* avec le gouvernement fédéral.

Marason Management a hâte de travailler avec la SCHL, le BCNPHA et les membres du secteur pour mener à terme le prochain volet de ce travail important, soit l'élaboration de stratégies particulières pouvant être utilisées par les sociétés pour contribuer à leur efficacité générale et pour améliorer leurs perspectives de durabilité à long terme.



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1. INTRODUCTION

Affordable housing contributes to the well-being of many Canadian households across this country. In that regard, non-profit managed social housing is of great consequence because of the increasingly diverse range of families, seniors and individuals it serves as well as the public investment it represents. Protecting that investment and supply requires management strategies that flow from the energy and creativity of the non-profit sector, ensure that available resources are used as efficiently as possible and respect existing contractual arrangements between housing providers and their funding partners. Insuring that the proper mix of those arrangements is implemented will help to sustain the existing social housing system over the long term.

Taking that approach is particularly important in BC where the non-profit housing sector is faced with the potential for substantial change over a short time period. For example, cost control measures introduced by the Province over the past several years have increasingly placed greater budget challenges directly on non-profit housing societies. There is a concomitant expectation that many groups will continue to experience mounting management and operational pressures caused by trends such as the aging of their stock and a growing set of client issues. This has created the need to explore opportunities to work in a more coordinated manner to generate operational efficiencies and to introduce improved management techniques.

Given these challenges, the BC Non-Profit Housing Association (BCNPHA)² has partnered with Marason Management Ltd. to undertake a study that identifies a range of strategies that have the potential to allow non-profit housing operators to respond more effectively to the challenges and opportunities they face. In undertaking the research for the study, full account will be taken of the expertise and opinions that exist within the non-profit housing sector in British Columbia. Areas of interest include innovative and cost effective measures as well as initiatives that respond to the operational challenges of the sector and thereby promote its long term sustainability.

2. RESEARCH ISSUES

The study provides a numerical portrait of the non-profit housing sector and will also describe its operating characteristics, its views of the major challenges it faces and its opinions regarding what changes/improvements are necessary to secure long term sustainability for the sector. This study describes the size and complexity of the sector and uses that overview as part of the context within which to consider:

- ◆ the current management performance of the sector,
- ◆ the problems/successes it is experiencing,
- ◆ its attitudes towards those problems/successes and
- ◆ the options for improvement available to it.

Areas of particular interest include:

² The BCNPHA gratefully acknowledges the funding from CMHC which has allowed this study to be undertaken.

- ◆ consolidation and rationalization of common services or functions using shared service delivery models;
- ◆ increased cooperation among societies ranging from information exchange to joint business ventures to collaborative initiatives and
- ◆ expansion of the scope and effectiveness of volunteerism.

3. METHODOLOGY

In addressing the research problems noted, the study uses a survey instrument as well as data available from government funding agencies. Information obtained through a series of structured interviews with key informants and meetings with the steering committee contributed to the construction of the survey that was administered to a representative sample of housing societies.³ In carrying out the survey, the primary goal was to determine sector attitudes toward the various challenges it faces and the actions societies are taking to address those challenges. The survey focuses on the major concerns that non-profit housing providers have and begins to explore the core beliefs, values, guiding principles and motivations of the sector. As well, it starts to “test” strategies that have the potential to help non-profit housing societies better respond to emerging fiscal and administrative challenges. The *Literature Review* (section 5) highlights trends in the general non-profit sector that may also help the sector respond to those challenges.

The study is designed to assist the BCNPHA in developing a longer term vision that will allow it to respond to the challenges facing the sector. This includes the development of a strategy for responding to housing operators in sharply divergent positions: societies in urban versus more isolated communities, as well as societies with different client groups, portfolio sizes, management expertise, and management philosophies.

4. NON-PROFIT SECTOR PROFILE

The universe to be considered by the study includes all non-profit societies currently managing housing developments⁴ created under any of the federal-provincial or unilateral provincial housing programmes that have been active at some point over the past 40 years.

Operators include municipal housing agencies, service clubs, faith-based organizations as well as community-based organizations including some groups that focus only on specific problems areas such as housing the mentally ill or disabled. There is also significant variation across the sector in terms of portfolio-size, management philosophy and length of operation.

Here is an overall picture of the sector and its portfolio compared to the provincial distribution of households:

³ The survey is reproduced in Appendix 10.1.

⁴ Societies which only manage health facilities, group homes or other small facilities addressing special needs will not be considered in this study.

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Figure 1

Distribution of Societies, Units and Households by Region

	NP Societies	% of Total	NP Units	% of Total	BC Households	% of Total
Lower Mainland	237	47%	24,674	65%	964,190	57%
Vancouver Island	92	18%	6,034	16%	298,975	18%
Southern Interior	139	27%	5,617	15%	319,175	19%
Northern Interior	43	8%	1,586	4%	104,389	6%
Total	511	100%	37,911	100%	1,686,729	100%

Sources: BC Stats, BC Housing and CMHC.

The distribution of social housing units across the province generally mirrors its household distribution, although the Lower Mainland is somewhat overrepresented in its share of units while all other regions are underrepresented. However, the Lower Mainland is underrepresented by societies compared to household share, while the Southern Interior is overrepresented.

Consequently, the Lower Mainland includes 65% of total units but only 47% of total societies whereas the Southern Interior has only 15% of total units and 27% of total societies; the other regions are in reasonable balance. Family units account for approximately 52% of total units compared to seniors units at 36% and special needs units at 11%.

Another aspect of the picture emerges when one looks at the distribution of societies by the type of client(s) they support.

Figure 2

Client Types by Society

	No.	%
Family	76	15%
Senior	255	50%
Special Needs	159	31%
Mixed	21	4%
Total	511	100%

Sources: BC Housing and CMHC.

Seniors societies account for half of the total. There are only 76 societies that manage family developments exclusively. Finally, more than 30% of societies house special needs clients exclusively and 21 societies provide shelter for mixture of client groups.

The non-profit housing portfolio considered in this study is diverse in terms of the client groups it serves and also with respect to the age of the buildings it includes. Older projects, say 20 years+, will generally require more maintenance than newer ones as well as the replacement of major items such as roofs, plumbing systems, appliances and so on. Many, but not all, of the social housing programmes recognize

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that issue and fund the creation of replacement reserves to counteract it. Moreover, a significant number of newer social housing developments have been stricken by the same building envelope problems as market condominiums in the lower south coast.

As the following tables show, enough of the portfolio in BC is old enough to test the effectiveness of replacement reserves at the same time as many societies are attempting to deal with building envelope problems in some of their newer buildings.

Figure 3

Non-Profit Buildings by Age and Region (Number and Per cent Share)

	< 10 yrs.	10 to 15 yrs.	16 to 20 yrs.	21 to 25 yrs.	25+ yrs.	Total
Lower Mainland	124	233	108	112	83	660
Vancouver Island	37	106	52	24	30	249
Southern Interior	54	45	56	40	48	243
Northern Interior	21	24	28	16	7	96
Total	236	408	244	192	168	1,248
Lower Mainland	19%	35%	16%	17%	13%	100%
Vancouver Island	15%	43%	21%	10%	12%	100%
Southern Interior	22%	19%	23%	16%	20%	100%
Northern Interior	22%	25%	29%	17%	7%	100%
Total	19%	33%	20%	15%	13%	100%

Sources: BC Housing and CMHC. Age data was not provided for an additional 10 buildings not included in Figure 3.

The mean age of buildings in the non-profit portfolio is 16.3 years. Overall, 52% of the buildings are 15 years or younger while only 13% are older than 25 years. The Southern Interior is the most notable exception to the overall pattern; its incidence of buildings 25 years or older is more than 50% higher than the provincial average whereas its incidence of buildings between 10 and 15 years is almost three quarters lower. Other divergences include the Northern Interior displaying a share of 25+ years old buildings almost half the provincial result and Vancouver Island, more than 30% higher in the 10-15 years old category, than the provincial result.

The sector is dominated by societies with very small portfolios. As Figure 4 shows almost two thirds of all societies manage only a single building. Moreover, only 8% of societies manage six or more than developments.

Figure 4

Societies by Portfolio Size

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	Total Societies	% of Total
Single development societies	322	63%
2 to 5 developments	151	30%
6 to 10 developments	23	5%
More than 10 developments	15	3%
Total Societies	511	100%

The non-profit housing sector can be described as follows:

- The sector consists of 511 societies managing 1,258 buildings; of those societies, half exclusively house seniors while 159 assist a wide variety of special needs clients and only 68 exclusively house families; the remainder serve more than one client type.
- The regional distribution of non-profit buildings and units is relatively similar to the regional distribution of households. However, the Lower Mainland is underrepresented by societies compared to its household share while the Southern Interior is overrepresented on that same measure. Overall, the Lower Mainland contains 65% of total units but only 47% of total societies whereas the Southern Interior has only 15% of total units compared to 27% of total societies.
- The mean age of buildings in the non-profit portfolio is 16.3 years. The Southern Interior is the most notable exception to the overall pattern; its incidence of buildings 25 years or older is more than 50% higher than the provincial average whereas its incidence of buildings between 10 and 15 years is almost three quarters lower.
- Almost two thirds of all societies in the sector manage only a single building; only 8% of societies manage six or more than developments.

5. LITERATURE REVIEW

The range of literature concerning non-profits is vast and no comprehensive review of it will be attempted here. Rather, this section will focus on some of the main issues facing the non-profit sector and how approaches to those problems might be used to improve the operation of housing societies in BC.

Regardless of whether one examines the broader non-profit situation in Canada or the USA, problems are evident:

"Nonprofits today are under perhaps more pressure than ever to be well run. They are constantly challenged to:

- *Be accountable & transparent*
- *Be responsive & inclusive*
- *Prove impact*
- *Raise funds in a declining environment*

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- *Boost performance*
- *Develop effective people*
- *Find & use knowledge*⁵

"The 1990s' were a difficult time for the voluntary sector in Canada. Despite a long history of service to Canadians, the voluntary sector came under intense scrutiny with trenchant criticisms leveled at particular organizations affecting the public perception of the sector as a whole". ⁶

Brock goes on to note that governments at the same time were facing fiscal crises and among other methods turned to:

*"...contracting out and offloading services to voluntary organizations...especially in the case of social service. ...responsibilities that were not always balanced with new resources."*⁷

Thus by the end of the 1990s and extending into the current decade:

*"The combined burden of reduced subsidies and rising citizen expectations strained the capacity of charities and voluntary organizations."*⁸

A recent report which surveyed 13,000 incorporated nonprofit organizations and registered charities across Canada reveals that problems persist. The following summarizes the situation of the sector:

"Organizations report substantial problems relating to their capacity to engage volunteers and obtain funding, which may limit their ability to contribute to their communities. A majority report difficulty planning for the future, difficulty recruiting the types of volunteers the organization needs, and difficulty obtaining board members. Close to half report difficulty retaining volunteers, difficulty obtaining funding from other organizations such as government, foundations or corporations, and difficulty obtaining funding from individual donors

*The 48% of organizations that reported receiving funding from governments, foundations or corporations between 2000 and 2003 report substantial difficulties with respect to this funding. More than 60% report problems due to reductions in government funding, unwillingness of funders to fund core operations (e.g., long-term programs, administrative expenses) and over reliance on project funding. More than 25% indicate that these problems are serious."*⁹

Those concerns reflect the sectors' view of their problems; some external observers have identified non-profit management deficiencies as a factor, which also contributes to the troubles of the sector.¹⁰ In the USA, the *Harvard Business Review* (HBR) in May 2003 published a study claiming the non-profit sector in that country could save \$100 billion by using its resources more effectively and efficiently; according to the article, 60% of that amount could be saved by restructuring how services were provided and by

⁵ Manzo (2002); see also Hood (2004).

⁶ Brock (2002)

⁷ IBID

⁸ IBID

⁹ Hall et al (2004)

¹⁰ Besides administrative issues, nonprofits are likely to experience serious staff recruitment and retention problems. Reasons cited include an aging workforce, high incidence of women with young children and large number of highly educated workers who will be recruited by government and the for profit sector. McMullen, K. and Schellenberg, G. (2002).

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reducing administrative costs. While the situation in Canada is different and the HBR article is hotly debated, a 2002 report by the *Toronto Star* that examined the tax records of 12,000 charities concluded that almost one in six spent more on administration than they did on programmes and services.¹¹

Solutions to these problems abound in theory. The internet is replete with sites which offer methods for improving non-profit management and attacking the other maladies which affect the sector. Here are two with a Canadian background:

Institute On Governance (IOG)¹²

The IOG is a non-profit organization with charitable status founded in 1990 to promote effective governance. From our perspective, governance comprises the traditions, institutions and processes that determine how power is exercised, how citizens are given a voice, and how decisions are made on issues of public concern.

The Institute concentrates its work around specific knowledge areas, including:

- *Aboriginal Governance*
- *Accountability and Performance Measurement*
- *Board Governance*
- *Building Policy Capacity*
- *Technology and Governance*
- *Values, Ethics and Risk*
- *International Programming*

In each of these areas, we undertake a diverse range of activities, including research and analysis, advisory services, professional development, conferences, workshops and study tours. In connection with this work we produce a large number of publications, most of which are freely available on this site.

The Voluntary Sector Knowledge Network (VSKN)¹³

VSKN will help you find answers to your management problems, issues and concerns. For each of them you can:

- *Go directly to the best information on the topic that is available on the net or find the best books and articles*
- *Talk over and share experiences on the topic with other nonprofit leaders and experts*

Seek one-on-one help from mentors with specialized knowledge and experience with the topic

Just click on the broad nonprofit management topic area below that is most likely to cover your interests OR enter keywords that capture your concern in the SEARCH function at the top of this page.

- *Leadership and governance of nonprofit organizations. Topics covered include: planning, board development, leadership skills, managing change.*

¹¹ LeRoy (2003)

¹² www.iog.com

¹³ www.vskn.com

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- Community and government relations. Topics covered include: building partnerships, improving relations with media, governments and clients.
- Fund raising. Topics covered include: learning how to fund raise, getting grants and donations, raising money through special events, campaigns, for-profit activities and gaming.
- Financial Management. Topics covered include: accounting, bookkeeping, budgeting and financial reporting.
- Accountability and evaluation for programs and organizational performance. Topics covered include: building accountability relationships, measuring outcomes.
- Managing People. Topics covered include: finding, keeping and getting the best from paid staff and volunteers.
- Information and Communications Technology. Topics covered include: getting the best from computers, e-mail and websites.

While one cannot vouch for the total efficacy of these and other similar sites, they certainly provide an abundance of useful, well considered advice.¹⁴ Moreover, much of that advice directly addresses concerns about the sector raised by its critics and, to some extent, by the general public.

For example, many techniques are available to improve accountability, increase management efficiency and broaden revenue generation opportunities – three of the most often cited challenges to the sector. However, the techniques described are frequently generic and would need to be tailored significantly to address specific situations, such as those faced by non-profit housing societies in BC; many of those societies do not have the resources or time to undertake that task. Some efforts have been made however; the BCNPHA offers a best practices self-evaluation guide specifically designed to help non-profit operators identify areas for improvement and also provides a training programme and other tools to improve management performance.¹⁵

Taking remedial action would appear to be well within the interests of the sector. Public perception would be improved by such action and more tangible rewards might be available depending on the type of action taken. For example, a 2003 COMPAS poll found that almost two-thirds of Canadian business leaders would be more likely to contribute to charity, if charities became more accountable.¹⁶

According to Paul Light who has studied the American non-profit sector extensively, remedial action tailored to the specific needs of a particular society or as he calls it – capacity building – need not be expensive but is widely needed. He began developing that argument in a recent address by describing the problem as he found it:¹⁷

“[Americans]...have doubts about the capacity of nonprofit organizations to spend money wisely, to run their programs and services effectively, to be fair in making decisions, and to do enough to help people. They are not saying that you have the wrong programs. They’re saying that they wonder if you have the right organizations.”

¹⁴ Even more detailed and varied tools are found in print – see the **REFERENCES** section in this report.

¹⁵ BCNPHA (2003)

¹⁶ LeRoy (2003)

¹⁷ Light (2004)

He then went on to propose a solution:

“...capacity building well done in the nonprofit sector I believe is a critical answer to the extraordinary uncertainty we face and also to the tremendous political pressure under which most nonprofits are operating.”

“Nonprofit capacity building works. If you do the right thing - and that’s key - your productivity is going to increase. ... You are going to save some money that you can redeploy.”

“You’ve got to match the capacity building effort to the problem you have. There is no silver bullet out there.”

“Think a little bit about where you might have a strategic opportunity in your organization to improve, start there and move forward.”

“Doing a little advance planning for capacity building actually improves the odds of success. Some nonprofits enter capacity building without a single clue as to what they’re doing.”

“It doesn’t take a lot of money to make your organization better, but it does take commitment from the board, commitment from the Executive Director, and commitment down through the organization.”

“What we see is significant gains in productivity and efficiency at relatively low costs from investing in capacity building, and a clear relationship between what you do to improve focus, through things like strategic planning, and your actual ability to get the job done.’

“... most of the capacity building that goes on that’s successful is very inexpensive. What it takes is a desire to change and that’s got to involve an agreement between the board, the Executive Director, and the entire staff of the organization. You’ve got to be willing to move a little bit forward.”

“And let me tell you something what you are going to find is great productivity, greater satisfaction, greater retention, and ultimately, what we are all here for, greater mission results.”¹⁸

Light’s work focuses on the American non-profit sector; however, his approach of highly tailored, small scale, inexpensive capacity building appears to be adaptable to the problems faced by a number of non-profit housing societies in BC.

6. SOCIETY SURVEY

The survey was issued to 379 societies using e-mail, fax and regular mail methods; 135 or 36% responded.¹⁹ The survey group was chosen from all the regional districts on a stratified random basis.

A range of techniques were used to assist in the construction of the questionnaire. A variety of knowledgeable informants were asked to identify areas for questions as was the study steering committee. The consultants used that information plus their own expertise to develop the questions in the survey. The

¹⁸ IBID.

¹⁹ Details concerning how well the respondent group reflects the sector universe are included in Appendix 10.2.

final survey was approved by the steering committee and field tested before it was sent to the sample members.

The survey is divided into a series of sections:²⁰

- ◆ **Section 1:** This section includes introductory overview questions on management activities and subjects of special interest (sharing services and volunteerism).
- ◆ **Sections 2-6:** Each of these sections focuses on a specific business area:
 - ❖ **Maintenance**
 - ❖ **Tenancy Management**
 - ❖ **Governance and Board Matters**
 - ❖ **Human Resource Management**
 - ❖ **Financial Management**

In all of these sections the same questions are asked regarding the extent to which societies feel that their practices are effective and how often they experience problems in the area under review. Similarly, in all the business issue sections, respondents were asked to identify issues they had experienced, the responses taken to those issues and the efficacy of those responses. Respondents were also asked to list creative actions they had taken or would like to take as well as any barriers that might prevent them from undertaking those actions.

- ◆ Finally, respondents to the Governance and Board section were asked if they produced a document which sets out goals or objectives for their society for a given time period; respondents to the Financial Management Section were asked to detail any revenue generation strategies that they had implemented in the past 2 years.
- ◆ **Section 7:** This section explores some of the possible future directions of the non-profit sector including the potential for increased revenue generation, plans to expand or redevelop the existing housing portfolio, factors limiting the future potential of the sector as well as constraints inherent in existing program agreements.

6.1. Management Activities

Respondents were asked to indicate all methods they used to undertake their main business activities. The following table summarizes the results:

²⁰ The survey is reproduced in Appendix 10.1 of this report.

Figure 5
Business Activities by Method

Activities ²¹	Employed staff	Contracted external	Shared with other societies	Board member or volunteer
Office administration	115	20	4	24
Routine maintenance	96	81	5	21
Preventative maintenance	78	90	6	17
Safety/security services	80	55	4	26
Tenant relations	110	4	6	53
Tenant placement	100	7	7	40

Employed staff show up as the most frequently used method for all but one activity - preventative maintenance – which is not surprising - given the often technical nature of that activity. Very few activities are shared with other societies; there appears to be some potential to increase sharing given the high degree of contracted and employed staff over the full range of activities. Volunteerism is used moderately across the full range of activities but shows a higher degree of intensity in tenant activities.

6.2. Volunteerism

Respondents were asked to indicate how important volunteerism was to the operation of their society. Over 40% responded *Very Important* and a further 24% reported *Somewhat Important* whereas only 16% responded *Not Very Important*.

Figure 6
Importance of Volunteerism

	No.	%
Very Important	58	43%
Somewhat Important	32	24%
Not Very Important	22	16%
Moderately Important	23	17%
Total	135	100%

²¹ Respondents were asked to indicate all methods used for each activity so in some cases total responses for an activity will exceed the total number of survey respondents.

Figure 7

Wish to Increase Volunteerism?

	No.	%
Yes	86	64%
No	48	36%
Total	134	100%

Almost two-thirds of respondents were interested in increasing volunteerism which reinforces the current importance of the activity and its potential for growth.

Respondents identified a range of issues which they felt might reduce their ability to increase volunteerism. Two issues predominated. First, societies find it extremely difficult to find suitable volunteers; problems include an increase in societal apathy and a lack of knowledge about the role of housing societies on the part of potential volunteer pools.

Figure 8

Barriers to Increasing Volunteerism

	No.	%
Training/Coordination	21	33%
Rapid Turn Over	2	3%
Difficult to Find Suitable People	27	42%
Apathy/Lack of Knowledge	6	9%
Union Concerns	6	9%
Liability/Insurance Issues	2	3%

Second, significant time and resources are required to train, coordinate and motivate volunteers if they are to be effective. Problems with attracting people who could assist with the operation of housing developments as well as those who would be useful additions to boards of directors were noted. Several societies were interested in fostering a greater sense of community by encouraging tenants to perform volunteer work in their developments.

Overall societies appear to be looking for assistance in this area. They have identified a need for a larger scale approach - over that which currently exists - to training, coordination, attracting volunteers, managing liability and increasing community awareness about social housing. Essentially, volunteer recruitment, coordination and training needs to be done on multi-society or perhaps regional basis.

6.3. Sharing Services

There is considerable interest in and acceptance of the concept of sharing services amongst societies where economic advantages can be realized:

Figure 9

Potential Interest in Sharing Staff or Services

	No.	%
Yes	81	60%
No	53	39%
No Response	1	1%
Total	135	100%

Sixty percent of the respondents are willing to share a variety of different services including:

Figure 10

Potential Shared Services

	No.	%
Maintenance	34	36%
Administration	26	28%
Contracted Services	14	15%
Volunteer Recruitment	5	5%
Fund Raising	4	4%
Bulk Purchasing	6	6%
Client Programmes	5	5%

A number of societies indicated that proximity to other societies willing to share services was a concern as was ensuring that real advantages could be obtained. There are indications that some societies have surplus administration and/or maintenance capacity that they would be willing to share. Societies are also interested in using their amalgamated purchasing power and accumulated knowledge to obtain better pricing/quality of supplies and contracted services. Some respondents also recognized that economies of scale were necessary to improve/expand activities such as fund raising and volunteer recruitment.

Overall, there appears to be considerable potential to increase shared services within the non-profit housing sector. Extensive work would be needed to identify areas of maximum benefit and to create society pools to take advantage of those benefits. Negotiating bulk contracted goods and services contracts is another major challenge, but this has begun with items such as insurance and appliances.

6.4. Maintenance Issues

This section examines the frequency of maintenance challenges identified by respondents and how effectively those challenges are met. Issues are detailed as well as the response of societies to them. Respondents were also asked to list creative actions they had taken or would like to take as well as any barriers that might prevent them from undertaking those actions.

The frequency of maintenance challenges ranged from very often to seldom and as the table below indicates the majority are in the often to not very often category. The bulk of the problems were reported as normal or routine maintenance concerns.

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Approximately 1 in 10 societies that responded to the survey reported that they had frequent maintenance problems while approximately 1 in 11 societies reported that they seldom had maintenance problems. Approximately 55% of all respondents reported that they did not have maintenance problems very often.

Figure 11
Frequency of Maintenance Challenges

	No.	%
Very Often	14	10%
Often	33	24%
Not Very Often	74	55%
Seldom	12	9%
No Response	2	2%
Total Societies	135	100%

Approximately 20% of the respondents reported serious concerns related to failing building envelopes, leaks in domestic water distribution systems, roofing problems, and failing mechanical systems. Other than the building envelope failures which mainly stem from the “leaky condo” syndrome, a large number of the challenges reported were associated with aging systems and associated building components, normal wear and tear and the overall age of the facilities.

As well, of the 135 respondents, 81 or 60% of the societies felt the maintenance practices they applied were effective as is outlined in the table below.

Figure 12
Effectiveness of Maintenance Practices

	No.	%
Very Effective	81	60%
Somewhat Effective	52	39%
No Response	2	1%
Total Societies	135	100%

However, there were indications of growing concern related to the sector’s ability to continue with a high level of effectiveness while maintaining an acceptable standard of maintenance. These concerns are directly related to recent budget adjustments and the uncertainty about future funding levels as well as aging facilities, systems, and equipment.

6.4.1. Barriers

In responding to barriers to actions or solutions in the maintenance area, most respondents identified funding and financial issues. A total of 46 societies (34%) recorded concerns related to funding in the delivery of maintenance services. A further 28 societies (or 21%) expressed concern over reduced funding levels and indicated a strong desire to see funding levels stabilize so that groups can maintain their maintenance standards. Cost drivers cited included increasing costs for labour, parts, supplies and equipment.

Other barriers reported included time constraints, unskilled labour, a lack of interested volunteers and the fact that trades are not always available in rural or remote locations.

In reviewing barriers, it was noted that 18 societies or 13 % of the respondents stated that they had received financial approval from BC Housing or CMHC to deal with specific issues as part of non-recurring maintenance, special funding initiatives, M&I project funding, or special funding for building envelope repairs.

6.4.2. Sharing Resources and Creative Solutions

There is considerable interest expressed by respondents in sharing services and the need for the development of creative approaches to address maintenance issues. Some key comments and suggestions provided by respondents include:

- ◆ The sector needs to develop methods to deal with maintenance issues and many do not know who to contact to explore sharing options.
- ◆ Develop a global budget system with contingency funds for assisting all societies.
- ◆ Consider establishing committees with accountants, administration and management staff to review all aspects of major maintenance problems.
- ◆ Develop teams of qualified maintenance and caretaker staff that could be shared and rotated among societies.
- ◆ Establish and maintain a pool of tools and specialized equipment that can be accessed by societies.
- ◆ Develop a contractor service that specializes in specific services such as water penetration, roofing and plumbing solutions.
- ◆ Develop a maintenance support system for rural non-profits.
- ◆ Share society expertise with other less capable non-profits in areas such as capital planning and preventative maintenance.
- ◆ Develop software to streamline the paperwork process.

6.5. Tenancy Management Issues

The great majority (96%) of non-profit societies that responded to the survey reported that they felt somewhat effective or very effective in their tenancy management practices. There were two (2) societies that reported that they felt somewhat ineffective.

Figure 13

Effectiveness of Existing Tenancy Management Practices

	No.	%
Very Effective	92	68%
Somewhat Effective	38	28%
Somewhat Ineffective	2	2%
No Response	3	2%
Total Societies	135	100%

Approximately 75% of the respondents stated that tenancy issues were relatively infrequent with only 4% reporting problems on a very often basis and 10%, often.

Figure 14

Frequency of Tenancy Management Issues

	No.	%
Very Often	6	4%
Often	13	10%
Not Very Often	63	48%
Seldom	50	37%
No Response	2	2%
Total Societies	135	100%

The predominant issues faced by groups relating to tenancy management were the normal disturbances and activities associated with problem tenants. The issues included: non payment of rent, noise and disturbances, conflict with neighbours, damaging units, vandalizing grounds and facilities, unauthorized pets, crime, drugs and alcohol abuse and conflicts with staff. A number of societies also noted a growing concern with aging residents and their need for support services and special attention by staff.

Other issues identified include work volumes and time pressures, which don't allow for adequate unit inspections and catching damage and life style problems early in the tenancy.

6.5.1. Barriers

Societies reported challenges related to inadequate training of staff to deal appropriately with tenants, communication problems, policy development and RTA issues as well as a need for strengthened client services for aging and other health related issues. A small number of societies also reported concerns related to vacancy rates and the lack of rigorous application checks for suitable tenants. As well, many tenants do not have bank accounts for automatic rent payments and do not support the “crime free” approach adopted by a large number of societies as part of their strategy to manage tenancies.

6.5.2. Actions

The most common action used to respond to tenancy issues was the use of warning letters and progressive documentation, leading to eviction of the offending resident. Some societies rely on a tenant/staff communication process with a series of meetings prior to implementing progressive action leading to eviction. This was generally applied to issues involving neighbour conflicts, violations of pet regulations, aging residents who can no longer live independently and residents with mental health issues.

6.5.3. Creative Solutions

Respondents were asked to identify actions they had implemented or wished to explore that would help them deal with tenancy management issues. The following are initiatives proposed by individual societies:

- ◆ Establish a “three strikes and you’re out” policy for dealing with tenant issues.
- ◆ Improve communication with tenants and meet with them to discuss problems before matters escalate to eviction, utilizing mediation prior to enforcement.
- ◆ Try to build a greater sense of community by allowing tenants to organize social events such as barbecues, garage sales and block parties.
- ◆ Develop a “peer counseling” service for seniors.
- ◆ Increase involvement with Community Police stations and educate residents regarding drugs, crime and safety.
- ◆ Plan to implement a “Customer Service” approach and strengthen the way we manage our tenancies.
- ◆ Allow tenants to pay ½ months rent and give the keys early. This provides the appearance of “free rent” and may help to reduce the time necessary to fill vacancies in market rent units.
- ◆ Apply the Homes BC subsidy formula to other facilities.
- ◆ Develop and support more effective tenant councils, getting them involved in managing tenant issues.

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- ◆ Pre-screen applicants and do more checking into the state of the applicants’ health and their ability to live independently.
- ◆ Develop a web site with virtual tours of the developments and hold “Open Houses”.
- ◆ Develop a training program for tenants to educate them about the requirements of their development.
- ◆ Respond to functional obsolescence by renovating bachelor units; convert 3 bachelor units into 2 – 1-bedroom units.

6.6. Governance and Board Related Issues

Respondents to the survey indicated a very high level of Board effectiveness. More than 70% replied very effective to that question and only 3%, somewhat ineffective. Nobody responded ineffective.

Figure 15

Effectiveness of Board

	No.	%
No Response	1	1%
Very Effective	96	71%
Somewhat Effective	34	25%
Somewhat Ineffective	4	3%
Total	135	100%

Very few societies (6%) reported encountering Governance issues more frequently than seldom.

Figure 16

Frequency of Governance Challenges Encountered

	No.	%
Very Often	2	2%
Often	5	4%
Seldom	99	73%
Not Very Often	28	21%
Total	134	99%
No Response	1	1%
Grand Total	135	100%

Nevertheless, more than one-third of the societies were able to identify at least one Governance/Board issue as well as an associated remedial action.

Figure 17

Governance Issues

	No.	%
Board Role/Effectiveness	21	36%
Recruitment Difficulties	14	24%
Policy Concerns	11	19%
Tenant Issues	2	3%
Conflict of Interest	5	9%
Lack of Knowledge/Training	5	9%
Total	58	100%

6.6.1. Concerns

Board Role/Effectiveness issues ranged from concerns over micro management of day to day activities to lack of attention to significant issues. A number of these issues were resolved by clarifying the role of the board and establishing clear areas of responsibility; however, the number of issues noted is somewhat at odds with the extremely high “Very Effective” number noted above. Recruitment of replacement board members or attracting enough members with appropriate experience is a major problem. The number for Policy Concerns is not surprising given the role of the Board and most issues identified were resolved. The relatively small numbers for Conflict of Interest and Lack of Knowledge/Training are encouraging.

6.6.2. Creative Actions

Few societies reported New/Creative Actions they would like to take to address Governance issues other than improved board training and development.

Figure 18

Creative Actions

	No.	%
Board Development/ Training	10	50%
Broaden Board Representation	3	15%
Find Funds for Board Expenses	2	10%
Strategic Planning	3	15%
Establish Ties with other Societies	2	10%

Emphasis on training/development is not surprising given that that the most reported issue was Board Role/Effectiveness. The other actions could all be seen, to some extent, as efforts to improve board performance as well.

6.6.3. Planning

Most would agree that one of the main functions of any non-profit board should be to establish and regularly review clear, measurable goals and objectives to guide the operations of its society. Preferably those objectives together with a mandate/vision statement should be published so that staff and the general public have ready access to them. In spite of this, only 40% of total respondents reported that they produce an annual plan. The challenges facing societies today, and concerns about the future, both argue for a substantial increase in this number. As Light (2003) noted, preplanning to some degree increases the likelihood of success of any attempt to improve operational performance.

Figure 19

Societies reporting that they produce an Annual Plan

	No.	%
Yes	54	40%
No	68	50%
No Response	13	10%
Total Societies	135	100%

6.7. Human Resource Management

The majority of societies, 94% reported that they felt that their human resource management was very or somewhat effective. As the table below indicates only 4% felt their approach to this section was ineffective.

Figure 20

Effectiveness of Existing Human Resource Practices

	No.	%
Very Effective	78	58%
Somewhat Effective	49	36%
Somewhat Ineffective	5	4%
No Response	2	1%
Total Societies	135	100%

The great majority of societies reported that Human Resources issues were relatively infrequent; 87% stated the challenges were not very often or seldom as shown in the table below.

Figure 21

Frequency of Human Resources Issues

	No.	%
Very Often	2	2%
Often	13	10%
Not Very Often	41	30%
Seldom	77	57%
No Response	2	2%
Total Societies	135	100%

The majority of the issues faced in this category are related to securing good staff, staff performance problems, reduced staff levels, lack of supervision, managing change, lack of training, staff cooperation and limited funding. There were also issues related to policy development, collective agreements, grievances and communication issues.

6.7.1. Actions

The actions taken to deal with the challenges were reported as recruiting more volunteers, improving communications, holding more team meetings, developing new Human Resource policy, and undertaking regular performance reviews as well as seeking additional training for staff.

6.7.2. Barriers

Societies reported a variety of barriers that included limited funding to hire additional staff as well as lack of time for mentoring, supervision, coaching, monitoring performance and site inspections. Also noted were issues related to the lack of training for staff and supervisors, and the absence of qualified applicants for positions.

6.7.3. Creative Solutions

Societies were again asked to list creative solutions they have utilized or wanted to develop to deal with Human Resource issues. Their suggestions included the following:

- ◆ Restructure the staff complement in areas of administration and management and share various staff with other societies.
- ◆ Hire a Human Resources Director for the sector and develop an Employment Support Program.
- ◆ Hold more staff meetings and improve counseling and supervision
- ◆ Reconfigure society with new work groups that have improved skills and focus on supervisory capacity and team building.
- ◆ Set up Board training programs and have Board members assist with services.

6.8. Financial Management

Respondents to the survey indicated a very high level of Financial Management Effectiveness. Almost 75% replied Very Effective to that question and less than 1%, Somewhat Ineffective. Nobody responded Ineffective.

Figure 22

Effectiveness of Financial Management Practices

	No.	%
Very Effective	100	74%
Somewhat Effective	34	25%
Somewhat Ineffective	1	1%
Total	135	100%

The majority of respondents (90%) reported that challenges related to the management of their finances were relatively infrequent (seldom and not very often) while approximately 1 in 10 respondents reported that financial challenges were relatively frequent in the previous year (often or very often).

Figure 23

Frequency of Financial Management Challenges

	No.	%
Very Often	3	2%
Often	11	8%
Not Very Often	39	29%
Seldom	82	61%
Total Societies	135	100%

6.8.1. Concerns

A wide variety of Financial Management issues were reported. They fell into two categories – funding and administration.

Figure 24

Are Financial Management Issues Successfully Managed?

	Funding	Administration
Successful	32	3
Not Successful	16	3
No Response	5	5
Total	53	11

The former included items ranging from increasing insurance premiums and declining fund raising to inadequate replacement reserves and subsidy reductions. That range is indicative of the challenges facing societies; it is, therefore, quite impressive that 32 of 48 (or 67%) of funding issues, where a result was reported, were resolved successfully. Techniques used included streamlining of administration procedures, more cost efficient purchasing, rent increases, and expanded fund raising as well as staff and program reductions.

6.8.2. Creative Solutions

Creative/New ideas to improve financial management offered from societies ranged from pedestrian to bold. The pedestrian included items such as raising rents and applying for increased funding to improving the returns on replacement reserves. More daring ideas included forging partnerships with other societies so that the cost effectiveness of property management and administration tasks could be improved over their combined portfolios. Others wanted to recast staff responsibilities or attract board members that could undertake administrative tasks. One society wanted to see a large scale bulk purchase program covering the major goods and services consumed by non-profit societies.

6.8.3. Revenue Generation

Societies were asked to describe any revenue generation strategies they had implemented in the past 2 years. About half of the respondents had engaged in some type of activity.

Externally directed approaches were the most common. Several societies reported extensive grant application campaigns as part of a search for new revenue sources as well as the development of formal fund raising programs, some of which include consideration of the sale of surplus lands.

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Internally directed approaches centered on the adjustment of existing fees such as parking or laundry but also included items like roof top leases, rental of common spaces and gaining revenue from the use of developments as film sites. Several societies wanted to pay out long term mortgages and replace them with ones written at the low rates that are currently available; they recognize however that they may lose subsidy or be unable to pay out their mortgages, depending on the terms of their operating agreements.

A small number of societies reported adaptive reuse of space - examples included community space as a day care centre, conversion of an office to a rental apartment and an existing restaurant space leased to a private operator.

Finally, one society holds a variety of events – talent contest, dessert evening and so on – which generate revenue from people supporting its programs. A local choir also volunteers its time to produce a yearly CD, the proceeds from which are donated to that society. Another society provides for impromptu or planned gift giving on its web site. Several societies are investigating the potential to market property management services to other societies.

Overall, societies face an array of financial management issues but the great majority that responded to this survey report they are successfully addressing those problems. Clearly, however, societies are searching for further assistance:

- they want access to the economies of scale in purchasing goods and services they feel should be available to the sector
- they want to hear the lessons learned from societies that have already increased their revenues successfully
- some are prepared to consider partnership arrangements with other societies; they however need model arrangements to consider that would address their circumstances
- many want access to fund raising/grant application expertise

Providing those types of assistance to the sector is a major opportunity that could produce significant results.

6.9. CLOSING QUESTIONS:

6.9.1. Please describe any plans or ideas you have to increase your property portfolio, to re-develop your existing housing projects or to undertake new activities to improve your financial position?

Of the 95 respondents to this question, 29 (or 31%) indicated they had no plans in this area. Most of the remainder (49) reported portfolio initiatives; some included building new developments; others involved expanding/improving existing developments by building out underutilized sites or rebuilding obsolete buildings.

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Figure 25

Portfolio Initiatives

	No.	%
Redevelopment/Rehabilitation	12	24%
New Building	15	31%
New Programs for Clients	2	4%
Review of Options/Planning	8	16%
Improved Management of Existing Projects	5	10%
Joint Plans with Others	7	14%
Total	49	100%

Some societies have had their developments approved and are proceeding; others have purchased or banked land to develop, but are not yet ready to proceed. One group that has several undeveloped acres of land is considering making it available to another society to develop and manage.

A significant number of societies are reviewing their portfolios with a view to identifying redevelopment opportunities or working on joint ventures with other societies and, in some cases, government or private partners. A handful of societies are upgrading the management of their existing portfolio or introducing new client programmes.

A few financial improvement ideas were also expressed:

Figure 26

	No.	%
New or Improved Fund Raising	4	27%
New Entity to Generate Revenue	3	20%
Improved Investment/Financial Management	8	53%
Total	15	100%

At least one service club is considering the development of an umbrella organization which will allow it to access gaming funds to underwrite infrastructure upgrades that will benefit all its members. One society is considering forming a company to manage the buildings in their portfolio and potentially offer that service to others, possibly societies.

with aging boards or those that are experiencing management difficulties. Several stated they are looking into private partnerships and creative fundraising to expand and one society advised they were exploring options to allow tenants to purchase their own units.

6.9.2. Are there any provisions of your current program agreements that you feel limit the efficiency or effectiveness of your operations? If yes, please describe.

Over 60% of societies who did respond to the question said no; slightly less than 40% responded yes.

Does your programme agreement limit the efficiency/effectiveness of your operation?

Figure 27

	No.	%
Yes	49	39%
No	77	61%
No Response	9	

Of those who responded yes, concerns centered on the following issues:

Figure 28

Programme Agreement Issues

	No.	%
Funding Levels/Certainty	22	44%
Market Rent Levels/Quotas	13	26%
Treatment of Surpluses	6	12%
Mortgage Issues	3	6%
Building Use Restrictions	3	6%
Inter Agency Responsibilities	3	6%

Funding concerns ranged from limitations on the use of gaming funding to the per diem levels available for detox/supportive recovery beds to limitations on manageable costs. Market rent issues included difficulties maintaining *Homes BC* quotas, the level of market rents and a feeling that scarce social housing units should be used for the most needy.

Societies want to share in surpluses, particularly the ones they create through their own efforts; some operating agreements do not permit this. The mortgage and building issues are somewhat intertwined; in some cases, the need to retain CMHC mortgages was viewed as an impediment to reuse of a building or redevelopment of a site; in others, the desired use was not allowed under a particular funding program. A few societies indicated that the split of responsibilities among provincial agencies made gaining approvals for changes difficult.

6.9.3. What are the main factors you think might prevent you from continuing to operate your developments successfully over the next five years?

Respondents were asked to identify factors that might prevent them from continuing to operate their developments successfully over the next five years.

Figure 29

Operational Issues²²

	No.	%
Funding Levels/Certainty	39	38%
Housing Supply/Demand	25	24%
Maintenance/Repair	12	12%
Client Services	12	12%
Staff/Volunteers	9	9%
Cost Containment	4	4%

The responses were wide-ranging. Funding Levels/Certainty concerns seemed more focused on the uncertainty of future levels than those that exist at present. Housing Supply/Demand issues included observations about shortages of particular types of housing, e.g. for the brain damaged or the alcohol/drug dependent, as well as concerns that there will be insufficient or inadequate housing for an aging population in the future.

Maintenance/Repair comments centered on the difficulties of continuing to maintain buildings and undertake needed repairs in an uncertain financial environment. Most of the Client Services concerns were directed at the difficulties of dealing with seniors aging in place but some mentioned that a number of younger clients were also requiring increased services. Staff/Volunteers comments noted the difficulties of recruiting/retaining staff and volunteers that could operate effectively in the increasingly more challenging non-profit environment. The importance of Cost Containment is self-evident given the previous discussion of funding levels.

6.9.4. In your opinion, what are the greatest challenges facing the sector?

The following table indicates the range of responses provided by the 118 societies who replied to this question.

²² Some respondents provided several answers to this question while others focused on a single issue.

Figure 30

Sector Challenges²³

	No.	%
Financial, Budget and Subsidy Concerns	61	48%
Supply/Demand Issues	26	21%
Management Skills	16	13%
Client Issues	11	9%
Operating Agreement Issues	6	5%
Volunteerism	6	5%
Total	126	100%

The financial category included a variety of different perspectives. Some were concerned about overall current funding levels or particular segments of their budgets but others were more anxious about future levels and the sustainability of funding. A few complained about the inadequacy of vacancy allowances or unrealistic market rent levels. Some were concerned about the lack of funding available for redevelopment.

Supply/demand concerns mainly involved the inability of societies to meet current demands for their housing and their view that supply increases were unlikely. Seniors was the group most often identified in that regard but others mentioned the homeless, the brain damaged, families with children and victims of family violence. One suggested alternative to an increase in purpose built supply was a movement to more portable subsidies that would be able to utilize existing market stock. Another was to tighten targeting of social housing and a limit to length of stay.

Concerns regarding management abilities had a future tilt. Most were worried about their ability to meet upcoming or continuing challenges by strengthening their management skills and/or increasing cooperation amongst each other to create efficiencies. Suggested remedies included the proposal that societies should operate more like private sector businesses and search out economies of scale in the purchasing of goods and services; in that context, developing more effective cost containment techniques was identified as a strong need. A few pinpointed maintenance of existing developments as an area that would suffer unless societies was able to deal with future challenges more effectively.

Volunteers is an area of challenge somewhat related to management. Several societies mentioned that they were unable to replace aging boards or to attract volunteers to assist them with their operations; in other cases, volunteers were burning out and could not be replaced. The latter difficulties put further financial pressure on societies who are unable to cover part of their operational costs with free labour; the former threatens the quality of their future leadership.

A small number of societies felt handicapped by some aspect of their operating agreement with their funding partner. These concerns mainly had to do with market rent levels and an inability to retain surpluses that could be used to offset future expenditures. Others noted that it was very difficult to meet the requirements of both the Ministry of Health and BC Housing under the *Independent Living BC* (ILBC) programme.

²³ The responses of several societies included items which fell into several categories; consequently, total responses exceed total respondents.

Client challenges included several aspects but the difficulties of seniors aging in place was most often cited. Concerns included the problems that presented for staff who, on occasion, needed to act as quasi care staff and the lack of placement opportunities for seniors who could no longer live independently. Others pointed to the increasingly complex set of problems displayed by some family residents and older singles and the impact of those problems on operational staff. Another complicating factor mentioned is increasing cultural diversity and changing community standards.

6.9.5. Please describe any issues of importance for the sustainability of the sector not covered in the survey.

This section was responded to by 60 of the 135 societies participating in the survey. As noted in previous sections, the issue of secure and adequate operating funding was one of the principal themes. A number of societies felt that sustainability for the sector is linked to consistent and stable funding.

Approximately 15% of the respondents expressed concern that the sector should operate more like the private sector and continue to develop a strong professional management approach for the future. Comments in that vein included:

“We need to operate as a viable business and be more entrepreneurial.”

“There needs to more training and development to prepare for the future.”

“We need to have safe guards in place in order to build confidence with our funding agencies”

“The sector needs to develop other partnerships as housing must move from political rhetoric to reality based solutions, we should be moving ahead of government”.

As in the previous question, concern about the future of the sector was expressed. A number of respondents commented on increasing housing demand and the need for a supply response; the potential costs of deferred maintenance in the future as well as the growing number of seniors and the high cost of support services they increasingly need.

Also mentioned was the need to raise public awareness of the need for social housing which should help attract more community and corporate involvement. Some suggested that municipalities should provide free land and eliminate development costs and taxes for affordable housing development.

Other comments provided included:

“Funders assume non-profits can simply increase volunteerism, but volunteerism is not sustainable and volunteers are difficult to find.”

“There appears to be a lack of interest in this sector to share resources whether it’s staff, information or ideas. If we are to stay healthy as an organization, this needs to change.”

“Consider the lack of services and expertise in rural communities and the increase in seniors and frail elderly that live here.”

7. CONCLUSIONS

- ◆ The non-profit housing sector in BC is large and diverse; the portion of the sector considered in this study comprises 511 societies that manage 1,258 building which contain 37,911 units. Of those

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societies, 255 manage only seniors buildings; another 76 manage only family housing while 159 manage only special needs developments. The remaining 21 manage various combinations of family, senior and special needs projects. Only 8% of all societies in BC manage 6 or more developments; almost two thirds are responsible for a single building.

- ◆ Very few societies currently share services with other societies. However, assuming favourable financial circumstances, a large number are willing to consider sharing virtually all major services. This includes employed staff as well as contracted services and administrative systems.
- ◆ Almost 2/3s of societies reported that volunteers are very or quite important to them; a similar proportion wanted to increase the number of their volunteers. Barriers to such increases included difficulties in finding suitable people as well as training and managing them. Societies indicated they were having problems finding suitable candidates to replace retiring board members as well as people to assist with operational tasks.
- ◆ Between 58% and 74% of respondents feel that their Financial Management, Human Resources, Tenancy Relations, Maintenance and Governance practices are very effective; moreover, between 85% and 94% infrequently or seldom experienced problems in all of those areas but one; the exception was Maintenance which still scored high at 64%.
- ◆ Despite retaining a positive view of their management practices, many societies reported a significant variety of problems in those same management areas and had a number of suggestions for improvement:
 - In the maintenance area, problems included restricted funding levels, time constraints, unskilled labour, lack of volunteers and the inability of rural groups to access skilled trades. Options for improvement included:
 - Examine issues using a multi-disciplinary approach including financial and management staff as well as maintenance experts.
 - Develop teams of highly skilled maintenance and caretaker staff that are shared and rotated among societies.
 - Develop specialized contractor services in areas such as water penetration, roofing and plumbing.
 - Develop a maintenance support system for rural non-profits.
 - Introducing a global budgeting system for the sector
 - In response to tenancy challenges, societies offered the following:
 - Establish a “three strikes and out” policy and utilize criminal record checks for all applicants.
 - Build a sense of community with tenants and improve communication with a peer counseling service for problem residents.
 - Apply the *Homes BC* subsidy formula for other facilities.
 - Convert bachelor units to 1 bedroom.
 - Develop a training program for tenants.

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- Regarding the improvement of governance performance, the key factor reported was training and development for board members. Also noted was the need to establish improved planning procedures and to network with other societies.
- Responses to human resources problems included improving communication through more team meetings, developing clear and comprehensive policies, implementing performance reviews and increasing staff training. Ideas for further development included:
 - Restructuring staff complements according to business needs and developing an employment support program for all societies.
 - Share various skilled staff and resources with other societies.
 - Hire a regional human resource director for the sector and develop training, skills building programs that focus on supervision, motivation and team building.
- Regarding the improvement of financial management, respondents offered the following:
 - Improving the returns on replacement reserves and raising rents.
 - Forging partnerships with other societies for more cost effective management
 - Implementing a large-scale bulk purchasing program for major goods and services consumed by societies.
- ◆ Only about 40% of societies are regularly producing a plan to guide their actions. Light (2004) argues that, for the other 60%, a lack of planning is likely to reduce the effectiveness of any efforts they make to improve management efficiency.
- ◆ The national study of non-profits referred to earlier²⁴ identified sets of problems faced by various types of societies including one grouping called Development and Housing.²⁵ The problems of that group are very much consistent with those listed by the respondents to this survey. Issues with acquiring, training and managing volunteers and obtaining adequate funding and planning for the future were the most commonly reported problems by the Development and Housing group. It is interesting to note that with one exception – planning for the future – the Development and Housing group reported a lower incidence of all those problems than the average for all groups of societies.
- ◆ About half of the respondents had made some attempt to generate new revenue in the past two years. These efforts included both internally and externally focused initiatives; on the internal side, most undertakings focused on adjusting existing fees (e.g. parking, laundry and so on) or adding new sources (e.g. roof top leases or renting sites to film or TV producers); on the external side, a number of societies were involved in professional fund raising projects or were pursuing grant opportunities.
- ◆ Almost half of the respondents had plans to either increase/upgrade their portfolio or to improve their financial position. On the portfolio side, plans ranged from reviewing their properties for redevelopment

²⁴ Hall et al (2003)

²⁵ This category includes groups that undertake advocacy, community development or vocational training with a housing theme as well as groups that actually develop and manage housing.

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potential to working on joint ventures with other partners to building new developments. In between, others were upgrading existing buildings or improving their maintenance practices or client programs. On the financial side, some were creating new revenue generating entities to provide property management or undertaking administrative infrastructure upgrades. Others were exploring fundraising alternatives or introducing improvements in financial management including better reserve investment practices.

- ◆ Less than 40% of respondents reported that aspects of their operating agreements were reducing the efficiency of their operations. For those that did express a concern, funding issues were paramount; these ranged from anxieties regarding limitations on the use of gaming funding to the per diem levels available for detox/supportive recovery beds to limitations on manageable costs.
- ◆ The sector had current and future concerns about funding; some feel current levels need to be increased but most seem to be more worried about their ability to sustain good operational practices into the future unless their funding is stabilized. A significant number of societies want to develop their own cost containment methods, improve their management practices and broaden their partnership arrangements so that they can increase their degree of independence from government funding.
- ◆ Client issues are widespread. They vary from concerns over the increasing support that aging seniors require if they are to continue to live independently in social housing to the burgeoning range of problems displayed by a growing number of family and special needs clients. All of these concerns translate into day to day management problems that place added demands on staff who are often not trained or equipped to deal with them.
- ◆ There is considerable potential to increase the very limited interaction and sharing of services, expertise, and resources amongst societies that currently occurs. For example, some societies will be able to identify surplus capacities or effective operational strategies that they might be able to share with others and thereby improve the overall effectiveness of the sector. However, societies must become more open to that type of approach if successes are to be achieved.

8. RECOMMENDATIONS

- ◆ Many of the societies who responded to this survey are sanguine about their current management practices; most, however, feel they must improve further if they are going to be able to sustain themselves in the face of increasing operational challenges. To assist in that regard, Marason Management recommends that this study be extended to provide societies with practical techniques designed to facilitate improvement.
- ◆ We have identified four initial topics which we feel, based on this survey and the profile of the sector, would benefit the sector the most:
 - expanding the sharing of services/resources and extending bulk purchase opportunities including partnerships with other societies or the private sector as appropriate,

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- developing more cooperation and exchange of technical expertise among societies,
 - attracting and managing volunteers more effectively and
 - increasing the scale and professionalism of fund raising.
- ◆ We would consult with representative society members and experts appropriate to the initiative to sharpen the focus of these topics and develop workable delivery strategies. The resultant approach would then be tested in real world conditions with volunteer societies and fine tuned to ensure that it could be replicated in other situations, with minimal external support. These approaches would then be described in step by step work books that could be used by either the BCNPHA or smaller groups of societies, as appropriate, for implementation purposes.
 - ◆ The above approach is consistent with suggestions for improving the non-profit sector described in the **Literature Review** section of this report.
 - ◆ We have learned that the societies in the more rural areas of the province face a distinct set of problems. Paramount among them, they lack access to resources -including skilled trades people/professionals - that are usually more plentiful in larger centres. Accordingly, any initiatives that are developed will address these shortages and other rural specific issues so they are relevant to all parts of the province.
 - ◆ We recognize that government funding agencies have very little flexibility given their collective fiscal situations. However, given that the sector is willing to consider options that would improve their long term efficiency and cost effectiveness, we recommend that their funding partners determine how they could assist the sector to implement meaningful changes in that regard.
 - ◆ In return for progress in that area, the funding partners could examine how they might provide greater certainty concerning the long term funding of the sector. Such discussions might include the administrative efficiencies and other benefits that could become available when and if the *Social Housing Agreement* with the federal government was concluded.

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10. APPENDICES

10.1. Non- Profit Survey

10.2. Is the Sample Representative?

Appendix 1.

Survey utilized for this project

SECTION 1: INTRODUCTORY QUESTIONS

1. We are interested in learning about how your business activities are conducted. Please review the list of activities on the table below and identify the service delivery arrangements that best describe your current approach. We recognize that a mix of strategies is possible. Feel free to select all that apply.

Activities	Employed staff	Contracted external	Shared with other societies	Provided by board member or volunteer
Office administration	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Routine maintenance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Preventative maintenance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Safety and security services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Tenant relations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Tenant placement	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

2a. How important would you say volunteers are to the operation of your developments/society?

Very important Quite important Moderately important Marginally/not at all important

2b. Would you like to increase volunteerism in your society?

Yes No

2c. If you answered yes, what problems would you need to overcome to achieve that increase?

3a. Would you consider sharing staff or contracted services with other societies if there were overall financial benefits?

Yes No

3b. If you answered yes to the above, what would you be prepared to share?

--

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SECTION 2: MAINTENANCE ISSUES — *The development and monitoring of policies, programs and procedures for preserving the physical assets of the society's portfolio.*

1. Overall, how would you describe the effectiveness of your maintenance practices?

- Very successful Somewhat successful Not very successful Not at all successful
-

2. How often have you encountered maintenance problems in the past 2 years?

- Very often Somewhat often Not very often Never
-

3. Please describe the nature of the maintenance issues that your society has faced and any actions taken to address these issues. In your opinion, were these actions successful (Y/N)?

Issues	Actions Taken	Success Y/N

4. Other than the actions noted above, please describe any new or creative steps that you would like to take to address maintenance issues, and any potential barriers to these steps.

New/Creative Actions You Would Like to Take	Potential Barriers to these Actions

SECTION 3: TENANCY MANAGEMENT ISSUES--*The process of selecting applicants for vacant units and ensuring tenants fulfill their tenancy obligations.*

1. Overall, how would you describe the effectiveness of your tenancy management practices?

- Very successful Somewhat successful Not very successful Not at all successful
-

2. How often have you encountered tenancy management problems in the past 2 years?

- Very often Somewhat often Not very often Never
-

3. Please describe the tenancy management issues that your society has faced and any actions taken to address these issues. In your opinion, were these actions successful (Y/N)?

Issues	Actions Taken	Success Y/N

4. Other than the actions noted above, are there any new or creative steps that you would like to take to address tenancy management issues, and any potential barriers to these steps.

New/Creative Actions You Would Like to Take	Potential Barriers to these Actions

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SECTION 4: GOVERNANCE/BOARD RELATED ISSUES--*The direction of the organization to ensure its purposes and goals are clearly defined, and that the systems and resources are in place to achieve these goals in a responsible and successful manner.*

1. Overall, and given the nature of your society's responsibilities, how would you describe the effectiveness of your board?

Very successful Somewhat successful Not very successful Not at all successful

2. How often have you encountered governance problems in the past 2 years?

Very often Somewhat often Not very often Never

3. Please describe the nature of the governance issues that your society has faced and any actions taken to address these issues. In your opinion, were these actions successful (Y/N)?

Issues	Actions Taken	Success Y/N

4. Other than the actions noted above, please describe any new or creative steps that you would like to take to address governance issues, and any potential barriers to these steps.

New/Creative Actions You Would Like to Take	Potential Barriers to these Actions

5. Does your society produce a document which sets out goals or objectives for the society for a given time period? (eg. 1 year)

Yes No

SECTION 5: HUMAN RESOURCE MANAGEMENT--*The process of planning, recruiting, paying, organizing, motivating, training, directing, supervising and protecting your workforce and volunteers.*

1. Overall, how would you describe the effectiveness of your human resource management practices?

- Very successful Somewhat successful Not very successful Not at all successful
-

2. How often have you encountered human resource management problems in the past 2 years?

- Very often Somewhat often Not very often Never
-

3. Please describe the nature of the human resource management issues that your society has faced and any actions taken to address these issues. In your opinion, were these actions successful (Y/N)?

Issues	Actions Taken	Success Y/N

4. Other than the actions noted above, please describe any new or creative steps that you would like to take to address your human resource management issues and any potential barriers to these steps.

New/Creative Actions You Would Like to Take	Potential Barriers to these Actions

SECTION 6: FINANCIAL MANAGEMENT ISSUES-*The planning, development, implementation, control and monitoring of public and tenant funds to fulfill the society's obligations to administer the portfolio.*

1. Overall, how would you describe the effectiveness of your financial management practices?

- Very successful Somewhat successful Not very successful Not at all successful
-

2. How often have you encountered financial management problems in the past 2 years?

- Very often Somewhat often Not very often Never
-

3. Please describe the types of financial management issues your society has faced and any actions taken to address these issues. Do you believe these actions were successful (Y/N)?

Issues	Actions Taken	Success Y/N

4. Other than those noted above, please describe any new/creative steps that you would like to take to address your financial management issues and any potential barriers to these steps.

New/Creative Actions You Would Like to Take	Potential Barriers to These Actions

5. Please describe any revenue generation strategies you have implemented in the past 2 years.

SECTION 7: CLOSING QUESTIONS

1. Please describe any plans or ideas you have to increase your property portfolio, to re-develop your existing housing projects or to undertake new activities to improve your financial position.

2a. Are there any provisions of your current program agreements that you feel limit the efficiency or effectiveness of your operations?

YES

NO

2b. If yes please describe.

3. What are the main factors you think might prevent you from continuing to operate your developments successfully over the next five years?

4. In your opinion, what are the greatest challenges facing the sector?

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5. Please list and describe any issues you believe to be of importance for the sustainability of the non-profit housing sector which were not raised in this survey. Feel free to include any general or concluding thoughts or comments you may have which are pertinent to this initiative.

Thank you for taking the time to complete our survey and helping to assist us in developing a better understanding of the challenges facing the non-profit housing sector.

In order to maintain confidentiality of the societies responding, please mail the completed survey to:

Marason Management Ltd

108 - 3280 Plateau Blvd

Coquitlam BC

V3E 3J5

Attention: Survey Manager

Please return completed survey no later than June 10, 2004

APPENDIX 10.2 – IS THE SAMPLE REPRESENTATIVE?

About the Survey Sample

The goal was to obtain feedback from a representative sample of non-profit societies from across the Province while taking into consideration differences in geographic location, portfolio size, age and clients served. As Table 1 shows, the sample was successful in drawing upon societies and developments from all geographic regions.

Table 1: Development/Society Sample by Region

	Total Developments	Developments Contacted	% Developments Contacted	Total Societies	Societies Contacted	% of Societies Contacted
East Kootenay	19	10	53%	12	8	67%
Central Kootenay	28	17	61%	19	15	79%
Kootenay Boundary	10	10	100%	8	8	100%
Okanagan Similkameen	27	18	67%	15	12	80%
Fraser Valley	42	25	60%	29	20	69%
Greater Vancouver	605	407	67%	199	127	64%
Capital	151	128	85%	47	35	74%
Cowichan Valley	24	17	71%	11	10	91%
Nanaimo	35	30	86%	13	10	77%
Alberni-Clayoquot	10	10	100%	4	4	100%
Comox-Strathcona	20	18	90%	10	9	90%
Powell River	7	7	100%	3	3	100%
Sunshine Coast	11	11	100%	6	5	83%
Squamish-Lillooet	5	3	60%	4	3	75%
Thompson-Nicola	35	28	80%	18	17	94%
Central Okanagan	47	33	70%	23	16	70%
North Okanagan	29	21	72%	15	13	87%
Columbia-Shuswap	15	14	93%	8	8	100%
Cariboo	14	13	93%	7	7	100%
Mount Waddington	16	15	94%	10	10	100%
Central Coast	11	10	91%	7	6	86%
Kitimat-Stikine	20	18	90%	6	5	83%
Bulkley-Nechako	10	9	90%	7	7	100%
Fraser-Fort George	34	13	38%	12	8	67%

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Peace River	30	14	47%	16	11	69%
Northern Rockies	3	3	100%	2	2	100%
TOTAL	1,258	902	72%	511	379	74%

Overall, a total of 379 non-profit societies were canvassed representing a total of 902 developments which contain approximately 27,000 units. Regions with smaller numbers of societies and developments were weighted more heavily in the sampling strategy than large and predominately urban regions with greater numbers of societies and developments.

About the Sample of Responses Received

Of the 379 non-profit housing sponsors that were asked to participate in this study a total of 135 non-profit housing societies, or approximately 36%, responded. Table 2 provides a general overview of the sample of responses obtained compared to the general profile of the non-profit housing sector.

Table 2: Responses Compared to Total Sector

	Total sector	Sponsors in the Sample	Responses as a % of total
No. of non-profit societies represented	511	135	26%
No of non-profit developments represented	1258	902	72%
Total number of units represented	38,000	16,000	42%

In all the major regions of the province, Table 3 shows that at least 20% of all buildings have been captured in the sample of responses received.

Table 3: Buildings in Sample Compared to Regional Totals

	Total Buildings	Buildings in Sample	% Sample of Total
Lower Mainland	665	255	38%
Vancouver Island	251	102	41%
Southern Interior	245	73	30%
Northern Interior	97	19	20%
Total	1,258	449	36%

Table 4 provides an overview of the general distribution of responses received across the different client groups (family, senior and special needs). In looking at the responses received 67% of family units have been captured along with approximately 31% of all seniors units. Similarly, the responses received capture approximately 27% of all special needs units included in the study universe.

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Table 4: Total Units Compared to Units in Sample

	Total Sector (units)	Units In the Sample	% Response Units of Total Units
Family Units	12,000	8,000	67%
Senior Units	19,000	5,700	31%
Special Needs Units	7,000	1,700	27%

Across the more than 500 non-profit societies included in the study universe, approximately 63% are single development societies while approximately 1 in 3 sponsors have responsibility for between 2 and 5 developments. Less than 10% of all non-profit societies have more than 5 developments while less than 3% of all non-profit societies have more than 10 developments. Table 5 below shows the general distribution of responses received across the 135 non-profit societies that participated in this study.

Table 4: Profile of Housing Providers Based on Portfolio Size

	Total sector	Societies in the Sample	Responses as a % of total
Single development societies	322	54	17%
2 to 5 developments	151	48	32%
6 to 10 developments	23	9	39%
More than 10 developments	15	8	53%
Missing data		17	
Total number of non-profit societies	511	135	26%

Based on the results captured in Table 5, it would appear that the sample of responses obtained represents approximately 1 in 5 single development societies, 1 in 3 societies with portfolios of between 2 and 5 developments, 1 in 3 societies with portfolios of between 6 and 10 developments and half of all of the larger non-profit societies.

Distribution of Responses Based on Building Age

Table 6 shows the general distribution of developments by building age. Based on the data captured in Table 5, it appears that 21% of all developments are less than 10 years old while almost half of all developments (49%) are between 11 and 20 years old. Similarly, approximately 29% of all developments are 20 years

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or older. The samples of responses obtained would appear to be relatively close in terms of the general age distribution when compared to the study universe.

Table 6: Distribution of Responses by Building Age

	Total Buildings	Buildings in the Sample	Responses as a % of total
Less than 10 years	262	115	44%
Between 11 and 20 years	612	207	34%
More than 20 years	359	122	34%
Missing Data	25	-	-
Total Developments	1,258	444	35%

The findings captured on Table 6 suggest that almost half of all of the newer developments have been captured in the sample. The findings also suggest that approximately 1 in 3 developments between 11 and 20 years old are represented in the sample along with approximately 1 in 3 developments that are over 20 years old.

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