



NEWS RELEASE

For Immediate Release

March 30, 2017

Province selling social housing without establishing value for money

VICTORIA – The Office of the Auditor General of B.C. has released its latest report, *An Audit of BC Housing’s Non-Profit Asset Transfer Program*. Under the Non-Profit Asset Transfer (NPAT) program, the Ministry Responsible for Housing and BC Housing is selling some social housing properties to non-profit housing societies to own and operate.

The sales will generate \$500 million in funding to address immediate social-housing needs, expand rental assistance programs and fund almost 4,000 units of social housing. However, the report reveals a long-term cost to the program: BC Housing will pay \$30 million a year to the non-profits to help cover their mortgages. This will amount to \$1 billion over the 35-year life of the program, before discounting into today’s dollars.

“Overall, the ministry has not demonstrated that these sales will result in a more sustainable social-housing sector, as intended,” said Auditor General Carol Bellringer.

The ministry has not fully considered how the sales could affect the affordability, availability and sustainability of social housing. For example, the report raises questions like whether non-profits will need to increase rents to remain viable, or whether the buildings will remain as social housing.

Bellringer also points out that the ministry’s mandate is to provide safe, affordable and appropriate housing, but it hasn’t defined what that means or how the NPAT program contributes to it.

“Government needs to have complete information about the costs, benefits and risks it must manage when making program decisions,” said Bellringer. “This is the cornerstone of evidence-based decision-making.”

The NPAT program comes at a time when government needs well-designed social-housing programs to confront a number of challenges facing the sector. The demand for social housing continues to increase, exceeding the available supply. Maintenance costs are rising as buildings age, while federal government funding for social housing agreements is declining, and according to the report, will drop off entirely in 20 years.

The full report is available on the Office of the Auditor General website at www.bcauditor.com. Auditor General Carol Bellringer will answer questions pertaining to the report via a news conference and in-person should a visual be required after the news conference.



OFFICE OF THE
Auditor General
of British Columbia

News Conference Date: Thursday, March 30, 2017

Time: 11:30 a.m. (Pacific time)

Dial-in Information:

From Vancouver: 604 681-0260

From elsewhere in Canada and the USA: 1 877 353-9184

Participant Pass Code: 44848#

During question and answer period, to ask a question: Press 01

During question and answer period, to exit the question queue: Press #

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The Auditor General is a non-partisan, independent Officer of the Legislature who reports directly to the Legislative Assembly. The *Auditor General Act* empowers the Auditor General and staff to conduct audits, report findings and make recommendations.

Contact us:

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For general questions, call Colleen Rose, Manager, Communications: 250-419-6207

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