

HALIFAX

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Item No. 10.1
Halifax Regional Council
November 9, 2021
November 23, 2021

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed by 
Jacques Dubé, Chief Administrative Officer

DATE: November 1, 2021

SUBJECT: Options for increased municipal support and partnerships for provincial housing program delivery

ORIGIN

On January 30, 2018 Regional Council passed the following motion:

THAT Halifax Regional Council request a staff report to assess potential options for increased municipal support and partnerships for provincial housing program delivery, including the possibility of requesting the transfer of the responsibility to operate and deliver housing programs and services within the boundaries of Halifax on behalf of the Province, including but not limited to the following considerations:

- 1. Transferring of the responsibilities of Housing Nova Scotia in the Halifax region, including Metro Regional Housing Authority (MRHA), Preston Area Housing Fund and other Not-for-Profits to the Municipality;*
- 2. Fund this transfer through property tax, by redirecting property tax points from the mandatory education and social housing funding collected by the municipality for the province, to ensure the core housing program operations would be funded by property tax revenue, rather than provincial grants;*
- 3. Develop an approach for provincial participation and cost sharing in Federal housing and regionally significant housing programs with equitable distribution of funds based on population;*
- 4. Discuss the housing allowance paid to clients living in MRHA becoming the same as the program provided to other private and not for profit land lords; and*
- 5. Make recommendations regarding management structure as either an arms length agency, a department of the Municipality, or combination of options.*

RECOMMENDATIONS ON PAGE 2

LEGISLATIVE AUTHORITY

The *Halifax Regional Municipality Charter*, SNS 2008, c.39 provides the Municipality with the authority to undertake many activities that support housing in the Halifax Regional Municipality (see Attachment 1). However, legislative amendments to the *Halifax Regional Municipality Charter* would be necessary to provide the requisite authority for provincial housing program delivery. The nature of the amendments required would be dependent on the approach directed by Regional Council.

RECOMMENDATION

That Regional Council:

1. Support a comprehensive update of the HRM housing needs assessment to be undertaken every 5 years, as further outlined in this report;
2. Direct the Chief Administrative Officer (CAO) to develop an Affordable Housing Strategy that will include:
 - (a) a review of the effectiveness of existing programs; and
 - (b) an implementation framework to broaden municipal support for affordable housing including identifying specific actions, monitoring tools and additional resources or amendments to the *HRM Charter* if required.
3. Direct the CAO to prepare a report exploring municipal housing organization models, as further outlined in this report, including an overview of financial implications, legal authorities, best practices and the scope for implementation.
4. Direct the CAO to enter into discussions with the Deputy Minister of Municipal Affairs and Housing regarding actions outlined in the [Ministerial Mandate Letter dated September 14, 2021](#).

EXECUTIVE SUMMARY

Canada's affordable housing sector is in a period of unprecedented change nationally, provincially and locally. Expiring operating agreements, aging buildings, limited new programs and resources to build new social housing for low-income populations, and lack of affordable housing are among the main pressures facing our housing system.¹ Shifting federal and provincial government roles continue to apply pressure on municipalities to facilitate and/or provide affordable housing. However, because municipal resources are limited, allocating them effectively is imperative. Simply put, local government's fiscal and human resources cannot address the scope of the housing affordability challenge through direct delivery of public housing.

The *HRM Charter* defines affordable housing as "housing that meets the needs of a variety of households in the low to moderate income range". The broad nature of this definition exemplifies how affordable housing encompasses a large range that can address deep affordability for our most vulnerable populations as well as moderate affordability for our working population. A key indicator of affordability is described through the principles of core housing need – where housing costs should not exceed more than 30% of the household's income to be considered affordable. This report primarily explores affordable housing within the non-market sector traditionally provided by the public and non-profit sectors.

¹ See [Promising Practices for Social and Affordable Housing in Canada](#).

Understanding both the history of affordable housing in Canada and its current context is critical. Staff, therefore, conducted a pan-Canadian review of affordable housing strategies, reports and discussion papers. This report outlines evolving federal/provincial /municipal roles and social-housing-funding models. To provide additional context, staff have included an overview of social/public housing, including: housing precarity, core housing need and the housing continuum; origins and characteristics of social housing stock; and challenges facing the non-market housing sector.

Staff are not recommending that HRM assume Housing Nova Scotia's (HNS) mandate. Experience in Ontario suggests that municipal direct-delivery of social/public housing has not resulted in improved housing outcomes and has placed considerable pressure on the municipal tax base. This position does not, however, discount the possibility of municipal involvement in building and/or operating social/public housing (pending legislative amendment where required). The report instead, recommends HRM explore how it can continue to expand its role in supporting affordable housing in tandem with the province and non-profit housing providers.

Because of the diversity of housing needs, and the complexity of factors underpinning those needs, the municipality's policy framework must be comprehensive. Housing affordability is a significant problem that all orders of government must work together to address in partnership with the private, non-profit, and co-operative housing sectors. To this end, staff are recommending that HRM do the following:

- 1) Undertake periodic housing needs assessments (to be conducted every 5 years as census information is updated);
- 2) Develop an affordable housing strategy that will help define the role HRM will play in supporting affordable housing and explore additional policy tools/levers; and
- 3) Explore the feasibility of forming a municipal housing organization. This work would be completed as part of the housing strategy noted above.

Meeting affordable housing needs is a complex problem that cannot be solved with one simple solution. It must be addressed from a variety of directions, using a wide range of ideas, tools and resources. To be fully effective, these must be brought together in a comprehensive, coherent and consistent manner. The most meaningful solutions must involve all community partners and integrate mutually supportive concepts, strategies and initiatives.² As such, instead of taking over HNS's mandate staff recommend HRM focus on developing a strategy that will help HRM work in partnership with the province and other housing providers.

BACKGROUND

PART 1 – AFFORDABLE HOUSING OVERVIEW

Centrality of Housing to Individual and Community Health

Providing secure and affordable housing contributes positively to a wide range of social outcomes, often referred to as non-shelter benefits.³ Affordability of housing is an influential factor in family stability, the health and wellbeing of individual household members and the educational attainment of children.⁴ Locating more affordable housing in areas with job growth can encourage lower income households to participate in the labour market. Providing well located affordable housing can also prevent long commuting times for

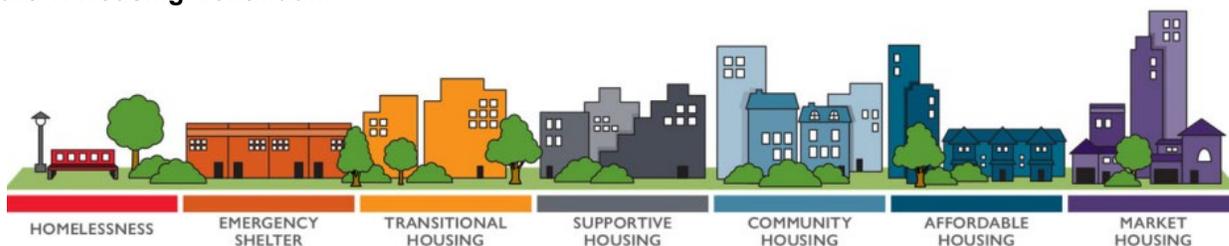
² See [Handbook for Preparing a Community Strategy for Affordable Housing](#).

³ See [Housing Assistance and Non-shelter Outcomes](#).

⁴ See [Housing and Health: Examining the Links](#).

lower income households who have been displaced to more distant areas to obtain lower cost housing.⁵ Additionally, offering better-located affordable housing can help alleviate the patterns and consequences of social-spatial exclusion, which adversely affect lower income and disadvantaged households.⁶ An effective housing system can therefore address more than simply the need for affordable housing – it can directly address the health and well-being of individuals, their communities, and the economy.

Figure 1: Housing Continuum



Source: [CMHC](#)

Defining Affordable Housing

Affordability is a relative term linking housing costs to a household's total income. The term "affordable housing" is often conflated/confused with social or public housing; however, social and public housing are categories of affordable housing. As demonstrated through the housing continuum below, affordable housing can be housing targeted to households of low to moderate income provided by the private, public and not-for-profit sectors as well as all forms of housing tenure (i.e. rental, ownership and cooperative ownership). It also includes temporary as well as permanent housing.

Due to a range of social, economic and geographic factors, the full range of housing needs in a community is not always met in the private housing market. This is particularly true for individuals and families with low incomes or for persons with special housing needs. The housing needs of these groups are often met by non-market housing provided by the public and non-profit sectors. Examples of non-market housing include:

- **Social Housing:** Social housing is housing subsidized by governments that is made available to those who would otherwise be unable to afford to live in suitable and adequate housing in the private market. It generally includes long-term operating or rental subsidies that are provided to assist low-income households.
- **Public Housing:** Public housing is a type of social housing that is owned and maintained by government. In NS all public housing is under the ownership and authority of the province. Housing is targeted to low income (most often on income assistance) seniors or families
- **Supportive Housing:** Supportive housing is another type of social housing that owned and maintained by non-profits or charities, but where operating expenses are subsidized by government. Housing is targeted to those who require support services due to physical, social or physical related needs.
- **Non-Profit:** Non-profit housing is housing that is provided by non-profits or charities, where housing is targeted to low to moderate income households where little to no support services are

⁵ Location also determines how well households are connected to neighbourhoods and communities that offer access to education, nutritious food, safe environments, health and social services, and other support systems, including friends and family.

⁶ Social-Spatial inequalities include disparities between geographically advantaged and disadvantaged areas. See for example [Spaces and Places of Exclusion: Mapping Rental Housing Disparities](#).

required. Non-profit housing may include households that receive provincial rent supplements, but where the housing is not reliant on the provincial subsidies. In some instances, non-profit housing providers may include mixed market models where some units are rented at the market rate to subsidize the housing of units aimed to lower or moderate-income households.

- **Co-operative Housing:** Co-operative housing is a type of housing where a group of dwellings, either contained within a multiple unit dwelling or spread out amongst several dwellings that are owned by the co-op entity and maintained by the residents of the dwelling units. In Canada, most housing co-ops are rental co-ops developed during the 1970s and '80s under government social housing programs targeted to people with low to moderate incomes⁷

Housing Precarity

Many people are at-risk of homelessness because they are precariously housed owing to economic and structural factors that make it difficult for them to maintain their housing.⁸ Households may be required to choose smaller accommodation than suitable for the household or defer housing maintenance in order to budget for other amenities such as food and transportation. Among very low, low and some middle-income households there is a diverse and growing group who cannot access affordable and appropriate housing in their local/regional area because of factors including insufficient income (for the cost of housing), local housing shortages, discrimination or special needs.⁹

The precariously housed include many young people entering training or the labour market for the first time; single parents and single people on low incomes; people with special needs arising from disability, ill health, injury or frailty; retired households who do not own their home; visible minority families;¹⁰ and lower paid workers whose jobs are located in high cost cities. Across these household types, large numbers of private renters and home purchasers are affected by affordability stress.¹¹

Housing precarity in HRM is becoming an increasing concern. The vacancy rate has steadily decreased while the average rent has increased. HRM did experience an increase to the overall vacancy rate to 1.9% in 2020, however this was primarily attributed to Covid-19 and a reduced demand from university students as a result of online classes¹². As a healthy vacancy rate ranges from 3% to 5%, a vacancy rate of 1.9% is very concerning.

While the decrease in vacancy rates can be tied to various factors, a major contributor is a significant increase in population. HRM has seen population growth surpassing 1% annually in the last few years, rising to approximately 2% each year since 2017. Recent population estimates from Statistics Canada demonstrate a trend of higher population growth than expected. Halifax has seen a 19% increase in housing prices in 2020 when compared to 2019. In March 2021, CMHC elevated its assessment of the vulnerability of Halifax's housing market from moderate to high, due to price acceleration and housing overvaluation. Housing prices are moving beyond what is considered affordable for current residents¹³. When factoring the impacts of redevelopments of existing housing sites (usually with higher end housing) and the conversion of long-term rental units to short term rentals¹⁴ it is becoming increasingly difficult to access to affordable rental housing.

⁷ See [Co-operative Housing Federation of Canada](#)

⁸ See [Precarious Housing and Homelessness](#).

⁹ See [Directions for Affordable Housing Policy](#).

¹⁰ See [Housing Conditions of Visible Minority Households](#).

¹¹ See [Directions for Affordable Housing Policy](#).

¹² See [CMHC Market Rental Report](#)

¹³ See [Regional Plan Issue Paper – Preliminary Population and Housing Analysis](#)

¹⁴ See [Short Term Rentals in Halifax](#)

Core Housing Need

A primary indicator for housing precarity is core housing need. Statistics Canada and the Canada Mortgage and Housing Corporation define 'core housing need' in two (2) stages. The first identifies whether the household is living in a dwelling considered

- Suitable – enough bedrooms for the size and composition of the household's residents according to National Occupancy Standard requirements.¹⁵
- Adequate – does not require major repairs¹⁶ and the building complies with minimum occupancy standards; or
- Affordable – shelter costs (including utilities are less than or equal to 30% of a household's total before-tax income.¹⁷

The second stage establishes whether the household has affordable access to suitable and adequate alternative housing by comparing the household's total income to an income threshold based on local housing costs. Only those households that cannot afford alternative housing would be considered in core housing need. The income thresholds are derived at the census subdivision level by the Canadian Mortgage and Housing Corporation (CMHC). Income thresholds are derived from market shelter costs and are specific to the community in which a household lives.¹⁸

In Nova Scotia, 11.4% of households (45,100 households) were identified as being in core housing need in 2018. This compares with 11.6% of all Canadian households across the country.¹⁹ Halifax accounted for 24,200 (53.7%) of the households in core housing need in Nova Scotia.²⁰ There were 5,700 Halifax owner households in core housing need (37.5 per cent of all Nova Scotian owner households in core housing need) and 18,500 Halifax renter households in core housing need (61.9% of all Nova Scotian renter households in core housing need).²¹ While housing affordability pressures in HRM are most acute in and around the Regional Centre, it is acknowledged that homelessness and housing poverty is present in our suburban and rural areas.

The following tables compare incomes vs the average market rent for a bachelor, 1-bedroom, 2-bedroom and 3+ bedroom. Table 2 breaks out the average income in Nova Scotia into ten deciles ranging from low to high and Table 3 looks at the medium income from HRM. Both tables demonstrate the inability to access affordable housing for lower incomes and how this inability is further compounded for single person households.

¹⁵ Enough bedrooms based on NOS requirements means one bedroom for each cohabiting adult couple; lone parent; unattached household member age 18 or older; same-sex pair of children under age 18; and additional boy or girl in the family, unless there are two opposite sex children under 5 years of age, in which case they are expected to share a bedroom. A household of one individual can occupy a bachelor unit (i.e., a unit with no bedroom).

¹⁶ Housing that is inadequate may have excessive mold, inadequate heating or water supply, significant damage, etc.

¹⁷ See [Understanding Core Housing Need](#).

¹⁸ See [Understanding Core Housing Need](#).

¹⁹ Core housing need data comes from the Canadian Housing Survey (CHS), a biennial survey developed jointly by Canada Mortgage and Housing Corporation and Statistics Canada to gather information on the housing needs and experiences of Canadian households. See [Canadian households living in core housing need](#).

²⁰ See [Selected Daily Stats Article](#).

²¹ See [Selected Daily Stats Article](#).

Table 2 – Average Annual Nova Scotia Income vs Average HRM Rents

ECONOMIC FAMILIES

| 2019 Total Income, Nova Scotia | | | 2020 Average Market Rent, Halifax | | | |
|-------------------------------------|-----------------------|---------|-----------------------------------|---------|---------|---------|
| Average Annual Income in the Decile | 30% of Monthly Income | | \$865 | \$1,016 | \$1,255 | \$1,454 |
| | | | Bachelor | 1BR | 2BR | 3BR+ |
| Lowest decile | \$28,200 | \$705 | No | No | No | No |
| Second decile | \$45,100 | \$1,128 | Yes | Yes | No | No |
| Third decile | \$57,000 | \$1,425 | Yes | Yes | Yes | No |
| Fourth decile | \$68,000 | \$1,700 | Yes | Yes | Yes | Yes |
| Fifth decile | \$80,200 | \$2,005 | Yes | Yes | Yes | Yes |
| Sixth decile | \$95,100 | \$2,378 | Yes | Yes | Yes | Yes |
| Seventh decile | \$109,800 | \$2,745 | Yes | Yes | Yes | Yes |
| Eighth decile | \$127,300 | \$3,183 | Yes | Yes | Yes | Yes |
| Ninth decile | \$152,600 | \$3,815 | Yes | Yes | Yes | Yes |
| Highest decile | \$243,500 | \$6,088 | Yes | Yes | Yes | Yes |

Data Sources: Statistics Canada, Table 11-10-0192-01; Canada Mortgage and Housing Corporation (CMHC), Rental Market Survey

PERSONS NOT IN ECONOMIC FAMILIES

| 2019 Total Income, Nova Scotia | | | 2020 Average Market Rent, Halifax | | | |
|-------------------------------------|-----------------------|---------|-----------------------------------|---------|---------|---------|
| Average Annual Income in the Decile | 30% of Monthly Income | | \$865 | \$1,016 | \$1,255 | \$1,454 |
| | | | Bachelor | 1BR | 2BR | 3BR+ |
| Lowest decile | \$4,300 | \$108 | No | No | No | No |
| Second decile | \$12,700 | \$318 | No | No | No | No |
| Third decile | \$20,200 | \$505 | No | No | No | No |
| Fourth decile | \$23,400 | \$585 | No | No | No | No |
| Fifth decile | \$28,700 | \$718 | No | No | No | No |
| Sixth decile | \$35,000 | \$875 | Yes | No | No | No |
| Seventh decile | \$42,100 | \$1,053 | Yes | Yes | No | No |
| Eighth decile | \$49,500 | \$1,238 | Yes | Yes | No | No |
| Ninth decile | \$60,400 | \$1,510 | Yes | Yes | Yes | Yes |
| Highest decile | \$98,500 | \$2,463 | Yes | Yes | Yes | Yes |

'Economic family' refers to a group of two or more persons who live in the same dwelling and are related to each other by blood, marriage, common-law union, adoption or a foster relationship. (Statistics Canada, Census Dictionary)

Table 3 – Median Annual HRM Income vs Average HRM Rents

| 2018 Total Income, Halifax | | | 2020 Average Market Rent, Halifax | | | |
|--------------------------------|----------------------|-----------------------|-----------------------------------|---------|---------|---------|
| | Median Annual Income | 30% of Monthly Income | \$865 | \$1,016 | \$1,255 | \$1,454 |
| | | | Bachelor | 1BR | 2BR | 3BR+ |
| Census Families | \$92,130 | \$2,303 | Yes | Yes | Yes | Yes |
| Persons not in Census Families | \$32,040 | \$801 | No | No | No | No |

Data Sources: Statistics Canada, Table 11-10-0009-01; Canada Mortgage and Housing Corporation (CMHC), Rental Market Survey

'Census family' is defined as a married couple and the children, if any, of either and/or both spouses; a couple living common law and the children, if any, of either and/or both partners; or a lone parent of any marital status with at least one child living in the same dwelling and that child or those children. All members of a particular census family live in the same dwelling. (Statistics Canada, Census Dictionary)

PART II – HOUSING ECOSYSTEM OVERVIEW

Housing Ecosystem – Overview

The relationship between income levels and housing affordability is a complex one. Housing markets are driven by levels of supply and demand, as well as location and speculation, and affect affordability through decreased supply and increased demand. Housing is a highly interconnected and interdependent system.²² When this system is weak or incomplete, access to safe, affordable, and suitable housing is compromised; this in turn negatively impacts other sectors in a community. A lack of affordable rental

²² See [Understanding the Forces Driving the Shelter Affordability Issue](#).

units will strain emergency shelters and other subsidized forms of housing. Similarly, a lack of supportive housing options for the elderly and disabled will lead to greater demand for more costly long-term care facilities and hospital beds.²³

Housing Ecosystem – Filtering and Market Rate Housing

While affordable housing policies understandably focus on housing subsidy and incentive programs to improve economic security and access to opportunity for low-income families, recent research underscores the importance of market-rate development as another means of reducing housing costs.²⁴ The housing market, for all its geographic and product type variation, is also an ecosystem with considerable interdependence.²⁵

First, more market-rate development can slow the growth in housing price and rent increases in a community, reducing displacement of low-income renters. Second, increasing market-rate housing can help to alleviate competition for available units among higher and lower-income households—a concept that economists describe as “filtering.” In supply-constrained, high-cost housing markets, some higher-income households will (by necessity) occupy homes and apartments that could be affordable to those with lower incomes. When other housing options are available, higher-income households will move into them, freeing up a lower-cost home for occupancy by those with lower incomes, leading to a chain reaction down the line.

While filtering does occur, it cannot be (exclusively) relied upon to meet the housing needs of low-income residents given that filtering results in relatively few units relative to core-housing need.²⁶ Moreover, even when low-income housing is not directly demolished and destroyed to make way for new development, gentrification and ‘price shadowing’ may occur.²⁷ Nevertheless, as part of the housing continuum, HRM’s approach to affordable housing must consider how to facilitate market-rate housing to facilitate filtering.

Housing Ecosystem – Lack of Affordable Rental

The rental housing market is an important market for those seeking affordable housing. The monthly costs are (typically) lower than that of homeownership, and no initial large lump sum (mortgage down payment) is required.²⁸ Increasingly, rental housing is emerging as a critical housing and tenure type, in the affordable housing continuum. While some households simply prefer to rent vs owning their home, market ownership is out of reach for many – particularly single-person, immigrant, and senior households.²⁹ Households may rent for a longer period or even forgo ownership completely.³⁰ Demographic shifts and labour market shifts favoring shorter-term, lower-paying jobs have also contributed to an increase in demand for rental housing.³¹

²³ See [Housing Policy Trends and Implications](#).

²⁴ Several studies over the past decade or so have shown how housing becomes more expensive overall when demand outstrips supply. And there has been a lot of attention among researchers lately on the extent to which restrictive local zoning may suppress new development and, as a result, drives up housing prices.

²⁵ See [Supporting a Whole Housing Ecosystem](#).

²⁶ Some social housing commentators have argued the quality of the stock that filters down to low-income tenants tends to be unattractive to look at, not especially good to live in, and often inappropriate. Thus, the spillover effects into property value and the implications for neighbourhood revitalization may be less than ideal. See [Filtering, City Change and the Supply of Low-priced Housing in Canada](#)

²⁷ Market-rate housing production’s ‘price-shadowing’ can cause significant price impacts in surrounding neighborhoods, raising area rents and real estate taxes. See [New-Build Gentrification: Its Histories, Trajectories, and Critical Geographies](#).

²⁸ See [Affordable Housing: Exploring Alternative Housing Methods](#).

²⁹ In March of 2021 CMHC reported evidence of price acceleration, overvaluation and overheating in Halifax’s housing market. See [Housing Market Assessment](#).

³⁰ See [Resilience and Housing Choices among Filipino Immigrants in Toronto](#).

³¹ See [Planning Canada: A Case Study Approach](#).

The primary rental market, also known as the purpose-built rental market, includes occupied rental units in privately initiated, purpose-built rental structures of three units or more. These can be in apartments or row houses. The secondary rental market consists of all rental-occupied housing units that do not fall under the purpose-built umbrella. It includes rented condominiums, subsidized rental units, rented freehold row houses and rental units in structures with fewer than three units. The sizes of primary and secondary rental markets vary across Canada.³² In most Census Metropolitan Areas, purpose-built housing accounts for at least a third of units occupied by renters (40% in HRM).³³

Historically, the primary supply of affordable housing has been created through private sector construction of rental units. HRM is unique to other Canadian cities, as we do not have a large condominium market and the majority of new multiple unit dwelling construction is intended for purpose-built rental units. However, as our rental stock ages, properties may be demolished, redeveloped, and converted to more profitable forms of rental housing.

The combination of our growing population, material and labour costs associated with new construction and increased homeownership costs have increased the market of higher end rental housing which further coupled with a low vacancy rate has had a significant impact on the availability of affordable units within the private rental market. Under these conditions, it is critically important that existing purpose-built rental stock be preserved and grown where possible.³⁴ Likewise, it is imperative that municipal strategies be found to add to the secondary rental market.

PART III – JURISDICTIONAL OVERVIEW

Role of Government

Throughout the country, the federal and provincial governments have shaped how Canada's housing stock is financed and allocated. Historically, senior orders of government have established and enforced the housing-system through legislation defining everything from banking and mortgage lending practices to tax and regulatory measures affecting building, professional practices (e.g., real estate transactions), subsidy programs, and incentives.³⁵ With the rise of land use planning regulations (by the mid-twentieth century), municipal governments have increasingly played a role in shaping the form and density of residential developments.

Centralized Social Housing (Pre-1986)

CMHC took the lead in the development of social housing prior to 1986 and provided housing both unilaterally and through partnerships with the provinces and territories. Prior to the mid-1970s, the primary government housing policy objective at both federal and provincial levels was to facilitate home ownership for families.³⁶ Non-profit housing programs were targeted to seniors and the disabled. The federal government supported income mixing during the late 1970s and early 1980s. Projects developed under programs from this period therefore have a mix of tenants, some paying 30% of their income, and others paying low-end of market (LEM) rents.³⁷

During this period, municipalities played a secondary role, conducting housing studies that identified housing needs and determining backlogs, and in some cases administered unit allocations from senior

³² See [Housing Market Insight](#)

³³ See [Will Only the Strong Survive? Municipal approaches to rental housing in Canada](#) (Table 1. Demographic profiles of the 15 case study cities).

³⁴ For a discussion of tactics used to preserve rental housing see [Rise of Rental: Encouraging the Development of Purpose Built Rental](#).

³⁵ For a detailed overview, see [The Evolution of Social Housing in Canada](#).

³⁶ A key innovation that has made housing more affordable for many Canadians is CMHC mortgage insurance, which has allowed households to make smaller down payments on their homes. See [Building from the Ground Up – Enhancing Affordable Housing in Canada](#).

³⁷ See [Housing Policy Trends and Implications](#).

governments. In the 1980s, larger municipalities began playing a more active role by developing their own mechanisms – including planning and regulatory tools – to facilitate the development of affordable housing.

Devolution of Social Housing (Post-1986)

In 1986, CMHC began to cede its role in the administration of existing programs and the development of new programs to the provinces. This was a watershed year that saw an increasing emphasis on containing costs at both the provincial and federal levels. At a policy level, the concern with cost containment after 1985 was translated into operating agreements that targeted and restricted access to affordable housing to those considered most in need. This effectively ended the mixed income approach that characterized earlier programs.

Over the course of the mid-to-late 1990s financial and administrative responsibility for social housing was downloaded to Canada's provinces and territories (P/T). The federal government retained responsibility for managing existing agreements with cooperative housing providers in several provinces, plus it retained responsibility for developing and managing housing for aboriginal people living on-reserve.

From province to province, public housing units are now administered by a variety of crown corporations, private corporations, government departments, and municipal and provincial bodies. In addition to these governing bodies, a variety of non-profits, co-operatives, local housing authorities, private landlords, charities and municipally owned corporations serve as housing service providers that administer and manage their own stock of housing units.³⁸

Devolution has resulted in an increase of organizations that are responsible for social and affordable housing. These organizations often have different rules, mandates and reporting structures. Devolution gave authority to the provinces to set social housing policies and to allocate funding. During the 1990s, many provincial governments reformed their framework legislation governing municipal activities (especially planning) to empower municipalities to become more active in the housing field.

Depending on the jurisdiction, government-provided (public) housing may be delivered by the province alone (centralized), delivered by municipalities (decentralized) or delivered by both the province and municipalities (blended).³⁹ Most provinces, except Ontario, continue to administer social housing using a centralized model. Soon after downloading occurred, Ontario moved to further devolve/download social housing administration, operation, and funding to 47 (municipal/regional) service management areas. In some jurisdictions, provincially-owned social housing properties are managed by third-sector organizations and/or by municipalities.⁴⁰ In other cases, the province has transferred ownership to third-sector organizations, thereby divesting itself of its social-housing-stock.⁴¹

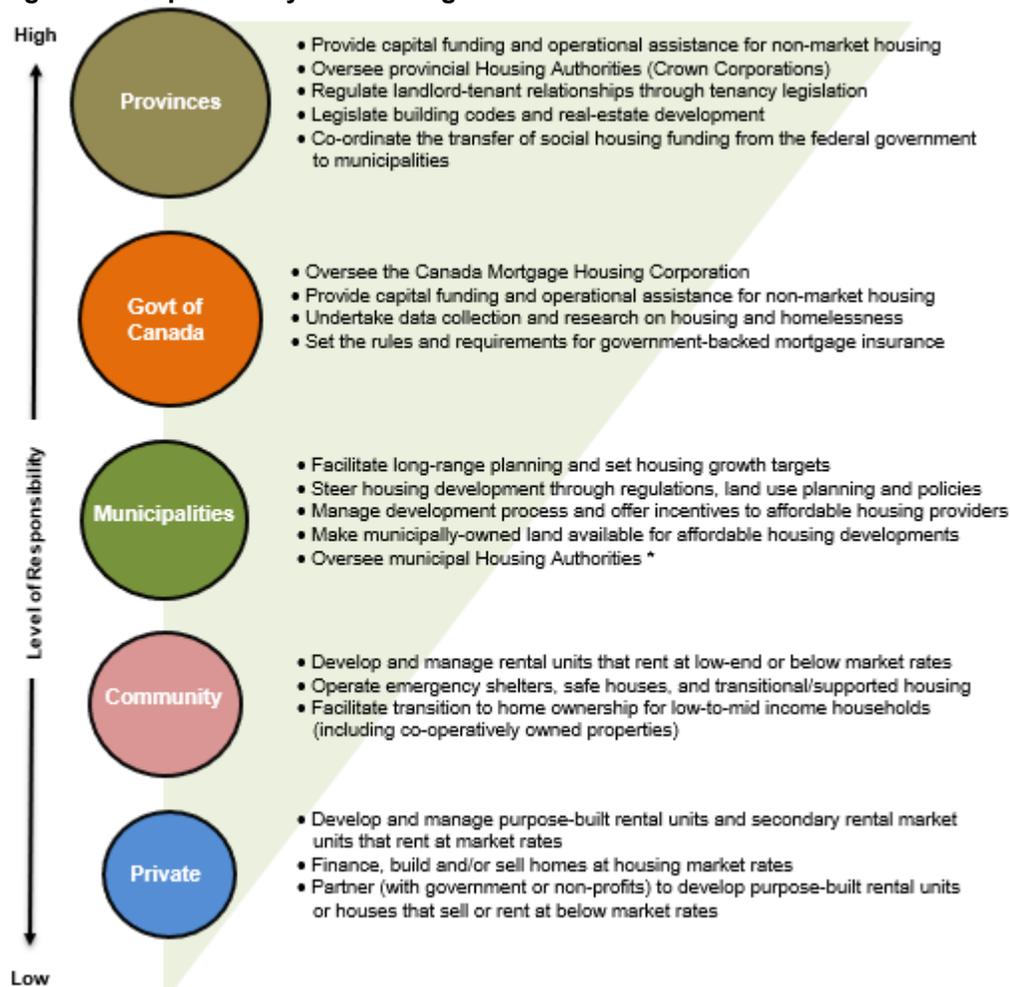
³⁸ See [Canada's Social and Affordable Housing Landscape](#).

³⁹ For an overview of centralized and decentralized delivery models (BC and Ontario), see [Overcoming Challenges in Centralized and Decentralized Housing Models](#).

⁴⁰ For instance, in Alberta provincially-owned facilities are managed by independent housing management bodies that are subject to [Regulations](#) created pursuant to Alberta's Housing Act. When it comes to day-to-day operations, housing management bodies determine their local scope of services, manage applications for housing assistance and select the tenants while abiding with the Housing Act and supporting regulations.

⁴¹ See, for example, BC Housing's [Non-Profit Asset Transfer Program](#).

Figure 2: Responsibility for Housing



Provincial Housing Corporations | Pan-Canadian Context

Over time, P/Ts have developed greater capacity for the design and delivery of housing programs, and bilateral agreements have provided them with increasing flexibility as to how these are designed and delivered. Many jurisdictions are developing comprehensive approaches to address housing needs as part of larger poverty reduction strategies.

Across Canada, provincial governments have formed provincial housing corporations (PHCs) to facilitate the creation and management of housing stock within their respective jurisdictions. These PHCs are constituted as Crown Corporations and are subject to provincial housing legislation (Acts). With few exceptions, these entities have acted as signatories to Social Housing Agreements and National Housing Strategy Agreements (to facilitate the flow of federal-housing-program funding). See Attachment 3 for additional detail.

Provincial affordable-housing mandates, although varying in terms of scope and emphasis, address housing and homelessness along the affordable housing continuum. Across Canada, PHCs oversee and provide financial support for (or directly deliver/provide) emergency shelters and homeless outreach, transition houses, safe homes and second stage housing, independent and supportive social housing, rent assistance in the private market, home adaptations for seniors and persons with disabilities, as well

as help for first-time homeowners.

Municipal Housing Corporations | Pan-Canadian Context

Many municipalities across Canada construct, hold and manage accommodation for their community members (including mixed-income housing). Due to provincially legislated devolution of social housing, all Ontario municipalities are now legislatively mandated to administer social housing programs and to directly deliver public housing. Municipal housing corporations (MHCs) have, therefore, been established in all Ontario municipalities to own and operate local public housing stock. Municipal involvement in the direct delivery of social housing is, however, not unique to Ontario. Numerous municipalities across Canada have established MHCs to undertake direct provision of affordable housing. Outside of Ontario, these MHC's may operate in parallel with provincially owned and/or operated social housing. Aside from Ontario, provincial legislation is permissive rather than prescriptive – that is to say, municipalities are conferred/given the authorities/powers necessary to acquire and manage affordable housing stock.

MHCs (whether in Ontario or elsewhere) vary considerably in terms of mandate, portfolio size and budget. See Attachment 4 for a cross-section of MHCs. In the sample provided, MHC portfolios range from 134 units to over 60K units, servicing populations spanning from 8K residents to 6.2M residents and budgets running the gamut between \$500K and \$692M. The diversity (among MHCs) illustrates the adaptability and scalability of the MHC model to meet the needs and resources of communities. Primarily operating as non-profit, arms-length entities, MHCs have varying degrees of direct municipal involvement. While some MHCs have Councillor representation at the Board level, other Boards operate more independently. Municipalities typically function as sole shareholders (as represented by municipal Council).

PART IV - NOVA SCOTIA CONTEXT

Between 1995 and 1996, a service exchange process transferred various roles and responsibilities between municipalities and the Province of Nova Scotia (PNS).⁴² These exchanges were implemented through the Municipal Reform (1994) Act, a road transfer agreement called HRM-01,⁴³ and a social services transfer agreement. The PNS assumed responsibility for social services, including affordable housing and child welfare, nursing homes, and homes for the elderly. Municipalities, in turn, were required to make contributions to the PNS for education, social housing, and corrections. Grants in lieu of taxes (formerly payable to municipalities by the PNS) were eliminated for health care facilities, museums, galleries, and sewer and water systems. Despite paying the province to deliver public housing programs, the HRM has no input into the delivery of these services.

Provincial Housing Corporations – Housing Nova Scotia

Housing Nova Scotia (HNS) is a corporation established by the [Nova Scotia Housing Development Corporation Act](#) of 1986 and later renamed Housing Nova Scotia by an amendment of that Act in 2013. HNS is the primary housing delivery agency in Nova Scotia. It is responsible for ensuring access to safe, suitable, and affordable housing. Under authority granted by the [Housing Nova Scotia Act](#),⁴⁴ HNS delivers a range of affordable housing solutions, including: provincially-owned rental units managed by five regional housing authorities, grant and loan programs designed for low income homeowners to support home repairs and adaptations, and assistance to landlords who rent to low-income households for repairs

⁴² Prior to the Service Exchange, municipalities had more diverse responsibilities. This included providing social services, such as public housing and child welfare, overseeing certain courts, and funding certain hospital costs. The province often entered into cost-sharing agreements with municipalities to help fund these programs.

⁴³ HRM-01 transferred (from the Province to HRM) ownership and responsibility for approximately 546 km of road.

⁴⁴ Under the Act, HNS' core functions are to: establish housing projects and construct housing accommodation; plan, design, build, own, maintain, manage, and operate housing projects; construct, acquire, renovate, and maintain housing of all types and sell, lease, or otherwise dispose of such housing; promote, construct, and provide more adequate and improved housing for low-income households; and improve the quality of housing and the quality of amenities related to housing.

and/or adaptations. HNS also provides capital contributions to developers for creating new affordable rental housing.⁴⁵

Nova Scotia's Housing Authorities were established under the Housing Act. The Act gives the Minister of Housing "general management, supervision and authority over the Housing Authorities. Each of these Housing Authorities was created by an Order in Council and a formal management agreement between the Minister and the Housing Authority's Board.

Located across the province, HNS's five (5) Housing Authorities are responsible for the administration, operation, and maintenance of rental properties.⁴⁶ Their responsibilities include administering tenant applications and placements, collecting rent, resolving tenant issues, and maintaining and repairing properties. Each Housing Authority has a Board responsible for tenant issues, such as approval of applicants for social housing, tenant transfers, renewal or non-renewal of leases, and responding to complaints or inquiries from tenants. The Metropolitan Regional Housing Authority (MRHA) is responsible for Halifax Regional Municipality and East Hants.

In Nova Scotia there are currently over 17,800 low-income tenants housed in 2,150 public housing buildings with over 11,300 units. Of those 11,300 units, 3,981 are located within HRM.⁴⁷ The average age of public housing buildings is 40-years. In addition to public housing, within HRM 1,367 low-income households live in a rental unit supported by the province's rent supplement program.

As of March 2019, the community housing sector in Nova Scotia includes almost 1,319 units owned and operated by 49 community housing co-operatives and not-for-profit housing providers and funded through the Social Housing Agreement (SHA); 556 of these units are in HRM. These housing providers have a reporting relationship through HNS. There are additional not-for-profit and co-operative organizations in operation outside the SHA, but they do not have a formal relationship with HNS.

Housing and Homelessness Partnership

The Housing and Homelessness Partnership (HHP) is a collaborative of nine partners including the three levels of government, the private sector and non-profit organizations in Halifax⁴⁸ with the mandate to "end homelessness and housing poverty in Halifax" by addressing policy and systemic issues. In 2015, partners of the HHP, including HRM, commissioned the Halifax Housing Needs Assessment⁴⁹ with the purpose to identify the municipality's housing requirements based on housing supply, demand and estimates of future supply and demand trends over a five and ten-year period. The Housing Needs Assessment provided insights that help HRM's housing-sector-stakeholders to better understand (and respond to) current and future housing needs and led to the development of the HHP's 5-year [Strategic Plan](#) (2017-2022) which included targets of creating 3,000 new affordable homes and preserving 2,000 existing affordable homes.⁵⁰

Nova Scotia Affordable Housing Commission (NSAHC)

In November 2020, the Province announced the creation of the Nova Scotia Affordable Housing Commission (NSAHC). Its membership included representatives from all three levels of government, the private development sector, non-profit housing sector and academia. The NSAHC's task was to find sustainable, long-term solutions that build on commitments made by the Province under the National Housing Strategy. To achieve its objective, the NSAHC engaged with housing experts throughout the country and undertook extensive community consultation. Consultation and engagement allowed the

⁴⁵ See [Housing Nova Scotia Accountability Report 2018-2019](#).

⁴⁶ See Housing Nova Scotia [Housing Authorities](#).

⁴⁷ This figure includes public housing units that are owned and operated by the province (3750) and units that are owned by the province but operated by a third party (231)

⁴⁸ See [here](#) for additional detail on the HHP's partners, mandate and activities.

⁴⁹ See [Housing Need Assessment Final Report](#) (2015)

⁵⁰ See [Item No. 9.2.1 Halifax Regional Council December 13, 2016](#).

NSAHC to learn more about the current state of affordable housing in Nova Scotia and to explore international and national best practices relating to affordable housing.

On May 31, 2021, the NSAHC submitted 17 recommendations to the Minister of Infrastructure and Housing through their report “Chartering a New Course for Affordable Housing in Nova Scotia”⁵¹. Recommendations range from exploring new models for the provision of public housing, developing a provincial housing strategy, keeping better data and amending the HRM Charter to give the municipality the authority it needs to play an effective role as an enabler of affordable housing.⁵² Recommendations are to be provided in the short, medium- or long-term time frames, with four immediate recommendations requiring a \$25 million investment, to be completed within 100 days. A summary of the NSAHC’s recommendation is provided in Attachment 5.

HRM’s (Current) Affordable Housing Role

While HRM is not responsible for the delivery of social services and subsidized housing, all local governments in Nova Scotia are responsible for ensuring that their planning documents include policies addressing affordable housing, special-needs housing and rental accommodation, including assessing the need and supply of housing in a range of types and locations to meet current and future community needs (as outlined in the [Statement of Provincial Interest Regarding Housing](#)). As a regulator of development, the Municipality plays a significant role in where and how housing can be developed. Municipal land use provisions impact housing supply, housing types and densities. Further, HRM plays an important part in supporting affordable housing through land use policies in our Regional Plan and Community Plans (e.g. Centre Plan), by requiring the inclusion of affordability through incentive or bonus zoning, or through financial incentives/support (including tax relief)⁵³ and by providing the use of surplus land to develop.

As spelled out in previous staff reports, HRM’s role in supporting and encouraging affordable housing has increased steadily over the past several years.⁵⁴ The Housing Needs Assessment and 5-year strategic plan were integral in staff’s development of the HRM affordable housing work plan which was endorsed by Council in July 2018.⁵⁵ Considerable progress has been achieved in advancing the work plan’s six (6) key initiatives, as demonstrated in an information report shared with Council on November 17, 2020.⁵⁶ See Attachment 6 for an HRM-specific affordable housing timeline.

Provincial Housing and Homelessness Strategy

On October 20th, the newly elected provincial government released its strategy for addressing housing affordability and homelessness in the Province. The stated objective of the Plan is to ensure that all Nova Scotians can afford a safe place to call home and is based on the premise that the only real solution to the current crisis is to increase the supply of affordable housing, including rental stock. While more fulsome details regarding the plan will be shared over the upcoming weeks, the announcement included several legislative changes including amendments to the *HRM Charter* to allow for inclusionary zoning and the ability to provide financial support to affordable housing developed through the private sector. This will provide the Municipality more tools to support the development of affordable housing.

⁵¹ See [Charting a New Course for Affordable Housing in Nova Scotia](#).

⁵² More specifically, NSHC recommended that the Province grant local governments the authority they need to: (a) eliminate or minimize municipal taxes, fees, or charges for affordable housing developments, including partnering with the private sector, if they so choose and (b) use inclusionary zoning in private development in lieu of bonus zoning charges, in combination with appropriate incentives to avoid any additional costs to the development.

⁵³ See [Item No.9.1.1 HRM Grants Committee September 20, 2021](#) for an overview of HRM’s affordable-housing-related tax relief.

⁵⁴ See [Item No. 4 Halifax Regional Council November 17, 2020](#).

⁵⁵ See [Item No. 14.2.3 Halifax Regional Council July 31, 2018](#).

⁵⁶ See [Item No. 4 Halifax Regional Council November 17, 2020](#).

The announcement also included the province's intent in creating a new taskforce which will focus on analyzing, streamlining and improving residential development projects in HRM and a "joint regional transportation group", which will have a mandate to review roads, ferries, and public transit to create a new master transportation plan for HRM. The purpose of these groups will be to bring more residential units to the housing market in an expedient manner.

Over the past couple of weeks, several legislative amendments have been brought forth by the provincial government. These legislative amendments are as outlined below.

Legislative Amendments – Bill No. 30

[Bill No. 30](#), the *Residential Tenancies Act*, was introduced to the Legislature on, October 28th, 2021. The Bill introduces the following key amendments.⁵⁷

- extends the cap on rental increases for residential units to 2 per cent until December 31, 2023;
- sets out the procedure for termination of leases for the purpose of demolition or renovation;
- prohibits a landlord from charging higher rent to a tenant who opts for a month-to-month lease;
- provides for compensation for tenants who agree to or are ordered by the Director to terminate a tenancy.

Legislative Amendments – Bill No. 32

[Bill No. 32](#), the *Municipal Government Act and the Halifax Regional Charter*, was introduced to the Legislature on October 20th, 2021. The Bill introduces the following key amendments:⁵⁸

- creates an exception to the prohibition on providing financial assistance to a business if the financial assistance is for the purpose of increasing the availability of affordable housing;
- allows the Municipality to require and regulate affordable housing within developments through land-use by-laws; and
- allows the Municipality's Council to accept money in lieu of affordable housing provision.

Legislative Amendments – Bill No. 61

[Bill No. 61](#), the *Joint Regional Transportation Agency Act*, was introduced to the Legislature on October 20th, 2021. The Bill will establish the Joint Regional Transportation Agency ("Agency"). The Agency will be set up as a Crown corporation with a mandate to ensure that transportation infrastructure in HRM is positioned to respond to anticipated rapid growth. The Province has noted that by creating the Agency, it is seeking to establish a more formalized, structured approach enabling the Province, HRM and other regional stakeholders to work more collaboratively on transportation challenges and opportunities within the Halifax region.

Legislative Amendments – Bill No. 63

[Bill No. 63](#), the *Housing in the Halifax Regional Municipality Act*, was introduced to the Legislature on October 28th, 2021. Bill No. 63 will establish the Executive Panel on Housing in the HRM ("Panel"), which is a joint provincial-municipal taskforce to address housing supply, specifically in HRM. The Panel is designed to bring the Province and HRM together to work quickly and collaboratively to increase the supply of housing in the Halifax region where "the need is urgent".

⁵⁷ For a comprehensive list of amendments, see Bill No. 30's [explanatory notes](#).

⁵⁸ For a comprehensive list of amendments, see Bill No. 32's [explanatory notes](#).

DISCUSSION

PART I – TRANSFER OF HOUSING NOVA SCOTIA RESPONSIBILITIES

Regional Council's January 30, 2018 motion requested that staff explore transferring HNS's assets and responsibilities to HRM. As previously noted, HNS delivers a range of affordable housing solutions, including: provincially-owned rental units managed by five regional housing authorities (public housing), grant and loan programs designed for low income homeowners to support home repairs and adaptations, and assistance to landlords who rent to low-income households for repairs and/or adaptations. HNS also provides capital contributions to developers for creating new affordable rental housing.⁵⁹ This represents a substantive affordable housing mandate that reaches well beyond the provision of public housing. In addressing Council's motion, this report focuses primarily on the direct-delivery of public housing. If Council chooses to further explore a transfer of responsibilities, direction will be required regarding which aspects of the HNS mandate are to be included in the go-forward analysis.

While criticisms have been directed at HNS and MRHA, for long waiting lists and poorly-maintained and deteriorating units,⁶⁰ those same critiques are common in other parts of Canada. What the cross-jurisdictional research shows is that the difficulties faced locally have less to do with who manages the public-housing portfolio and more to do with the legacy of social housing funding-programs. For an overview of social housing sector characteristics and challenges see Attachment 7. Across Canada, the need for affordable housing is outstripping the capacity of local and senior levels of government to directly supply affordable units.

Ontario's Asset Transfer and Downloading Experience

Ontario is the only Canadian province or territory where all municipal governments are responsible for the funding and delivery of public housing. In 2017, Ontario's property taxpayers contributed over \$1.77 billion towards public housing. This significant investment by municipal governments is a result of the provincial downloading of community housing to service system managers in 2001. This amount is just for public housing. It does not include the full range of spending by municipal governments for housing-related supports, homelessness prevention programs, or financial incentives that they provide to facilitate affordable housing development.⁶¹

In Ontario, decentralization was (ostensibly) promoted to streamline housing programs and increase the efficiency of implementation through local governments addressing local housing issues. However, funding for housing programs became reliant on municipal revenues, primarily property taxes, thus straining limited municipal revenue sources. In practice, this arrangement has placed the responsibility for implementation with the municipalities, while requiring them to continue to adhere to provincially developed priorities.

Lower levels of government often have access to less funding and revenue sources, leading to potentially decreased budgets to carry out these devolved housing services. With this downloading of responsibility and funding, there is also potentially a reduced capacity for reaping economies of scale that might help with keeping costs down.⁶² Similar reservations have been voiced by the Association of Municipal Administrators, Nova Scotia (AMANS) and the Nova Scotia Federation of Municipalities (NSFM). In a joint letter to the Province they write, "Unfortunately, the recommendations in the [Affordable Housing Commission] report place far too much emphasis on ways in which municipalities can forgo limited revenue streams to support an issue that requires significant and sustained investment from other levels of government" (see Attachment 8).

⁵⁹ See [Housing Nova Scotia Accountability Report 2018-2019](#).

⁶⁰ See, for example, news coverage by [Global](#), [CBC](#), [Halifax Today](#), [CTV](#), [The Coast](#), [Signal Halifax](#), [Saltwire](#) and [Nova Scotia Advocate](#).

⁶¹ See [Fixing the Affordability Crisis – Municipal Recommendations for Housing in Ontario](#).

⁶² See [Overcoming Challenges in Centralized and Decentralized Housing Models](#).

Ontario's downloading experience can provide insight into whether decentralization/devolution is likely to improve access to affordable housing in HRM. As documented by the Office of the Auditor General of Ontario in its social and affordable housing audit (2017):⁶³

- Ontario has the largest social housing wait list in the country;⁶⁴
- Wait times are lengthy and growing even longer;⁶⁵
- Applicants on social housing wait lists face affordability challenges;
- Affordability challenges are likely to increase as housing contracts expire;
- Thousands of units are unused because of poor condition of repair;⁶⁶
- Few affordable housing units have been built since 1996;⁶⁷
- Affordable housing stock was (largely) built decades ago; and
- Not-for-profit development of rentals and houses is not being encouraged.

These auditor findings suggest that affordable housing challenges persist and are deepening in Ontario. Two decades of direct municipal government involvement in the delivery of affordable and social housing has not proven to be a panacea for Ontarians in need of affordable housing.

Since social housing devolution was first announced, Ontario municipalities have expressed concerns about the problems associated with paying for social housing programs out of the property tax base. Social housing programs face serious cost-risks associated with the following:⁶⁸

- mortgages – interest rates may increase;
- capital repairs – potential repair costs may be greater than the funds available in the present social housing funding envelope;
- operating costs – costs for utilities or other building components may increase at a faster rate than rent revenues;
- geared-to-income subsidies – if incomes of subsidy recipients decline, RGI subsidy requirements will increase;
- federal program step-out – as federal operating agreements end, federal subsidy ends; and
- even though mortgages will have been paid in full, rent revenues may not be sufficient to cover costs such as capital repairs or geared-to-income subsidies on an ongoing basis.

Social Housing Transfer Considerations

This report does not recommend the transfer of Housing Nova Scotia's responsibilities to HRM. Should, however, Council wish staff to further pursue the transfer of responsibilities the following outlines, at a minimum, the further analysis required. It should be noted, however, that a transfer of housing authority is premised on the Province's willingness to devolve housing to the municipality. A transfer of authority over housing would entail a policy shift regarding the allocation of responsibilities between the two levels of government.⁶⁹ Absent explicit Council direction, staff have not discussed devolving housing responsibilities to the municipality.

⁶³ See [Social and Affordable Housing Audit](#).

⁶⁴ As of December 2016, Ontario's wait list of 185,000 households (representing about 481,000 people) was 3.4% of its total population, the highest in the country.

⁶⁵ The number of households on Ontario's wait lists has increased by 36% in the last 13 years for which this information was available.

⁶⁶ Vacant units can only be offered to prospective tenants if they meet minimum health and safety standards. As of December 2016, there were about 6,300 vacant social housing units that were not being provided to tenants.

⁶⁷ Based on a survey done by Office of the Auditor General of Ontario, roughly fifty-percent (50%) of Ontario municipalities do not invest municipal dollars in housing, beyond legislatively-mandated social housing.

⁶⁸ See [City of Toronto Social Housing Business Transfer Plan](#).

⁶⁹ The [Task Force on Local Government](#) (Hayward Report) outlines the Province of Nova Scotia's position on the allocation of service responsibilities. The main principle guiding the report was that services for the general public should be a provincial responsibility, and services of more local concern should be a municipal responsibility.

Financial Considerations

As described in the Ontario example, there are significant financial implications associated with a transfer of social housing assets from the Province to the Municipality. While HRM does not have access to MRHA's financial records, available data suggest that the financial risks identified by Ontario municipalities would apply to the Nova Scotian context:

- *Aging Stock*: The average age of HNS' public housing buildings is 40 years. The age of the stock drives the need for capital improvements, including the replacement of major building systems. Given the age of the buildings, major repair and renewal, as well as preventive maintenance, will continue to be required over the next decade.⁷⁰
- *Deferred Maintenance*: As of 2017 MRHA assessed buildings were determined to have a deferred maintenance value of \$22.1 M.⁷¹ Deferred maintenance costs are typically considered to have a margin of error of approximately +/- 20%. The deferred maintenance for the sampled buildings in MRHA was \$16.3 M.⁷²
- *Senior Government Funding Dependency*: Programs delivered by HNS are primarily funded through federal-provincial funding agreements. Two agreements, the Investment in Affordable Housing Agreement (IAH)⁷³ and the Social Infrastructure Fund (SIF),⁷⁴ have concluded. A third federal-provincial Agreement, the Social Housing Agreement (SHA), will continue until 2034. In 2018, a further bi-lateral funding agreement (under the National Housing Strategy) was negotiated between HNS and CMHC.⁷⁵
- *Loans and Other Debts*: HNS' loans and other debt is comprised of mortgages and notes payable to various lenders.⁷⁶ The amortization periods of HNS' notes-payable range from five (5) to thirty-six (36) years and are secured by investments in social housing. Mortgage and notes payable are repayable in monthly or quarterly installments of interest and principal. Interest rates vary from 0.80% to 6.55% with terms ranging from April 1, 2020 to October 1, 2045.⁷⁷
- *Stagnant Rents*: Public housing rent is determined based on total household income so that households contribute no more than 30 per cent of total household income toward rent. Even though operating costs are increasing (such as the costs of utilities, heat, building materials, and wages), tenant rent has not increased substantially over the last decade. The current average rent paid by public housing tenants is \$436/month.⁷⁸

⁷⁰ See [Housing Nova Scotia Accountability Report 2018-2019](#).

⁷¹ This condition assessment was performed on the building envelopes and major electrical and mechanical systems and does not include the interiors or major site development such as sewers. The assessment method was to visually inspect the major components and use the known age of the components to determine the expected timeframe for replacement. Systems that could not be visually assessed used the initial installation date and typical Life Expectancy. See [MRHA FOI-request](#) by Signal Halifax.

⁷² See [MRHA FOI-request](#) financial statement obtained by Signal Halifax.

⁷³ In 2011, the Nova Scotia Housing Development Corporation, on behalf of the province, entered into the [CMHC–Nova Scotia Agreement for Investment in Affordable Housing](#) 2011–2014. Under the agreement, Nova Scotia had \$61.2 million to invest in affordable housing over a three-year period. See [here](#) for additional details.

⁷⁴ In 2016, the Nova Scotia Housing Development Corporation, on behalf of the province, entered into the CMHC–Nova Scotia Social Infrastructure Fund Agreement. Under the agreement, Nova Scotia had \$32 million to invest in affordable housing over a three-year period. See [here](#) for additional details.

⁷⁵ See [Housing Nova Scotia Accountability Report 2018-2019](#).

⁷⁶ Historically, the CMHC program model for social housing involved a long-term mortgage covering 90%-100% of the up-front capital costs of the building of the project. At various points in time, this mortgage has been provided either by private financial institutions or directly by CMHC.

⁷⁷ See [Consolidated Financial Statement of Housing Nova Scotia \(March 31, 2020\)](#)

⁷⁸ See [NS Housing Action Plan](#).

- *Budgetary Deficits:* In fiscal 2017, MRHA ran a deficit of \$27.9M on an overall budget of \$48.3M. Rental revenues accounted for only \$18.7M. For the four years prior, MRHA ran a series of deficits ranging from \$20M in 2013 to \$26M in 2016. These reflected ~\$2M (incremental) year-over-year deficit increases. As has been the case in other jurisdictions, public-housing operating costs in Halifax have outpaced rental revenues/income.⁷⁹

If Council chooses to further explore acquiring the MRHA's housing stock, additional analysis and financial modelling would be advisable. Before proceeding, staff would recommend that HRM engage a consultant to provide detailed financial analysis. This consultant-engagement would help to position the municipality to enter informed discussions with the Province regarding whether to proceed and (if so) how to equitably structure an asset-transfer. If Council wishes to pursue this approach, staff could be directed to return to Council with a report outlining the parameters for a request for proposal/expressions of interest.

Legislative Considerations

As noted by the NSAHC an expanded housing role for municipalities will require changes to provincial legislation and associated regulations.⁸⁰ The Commission observed that a new legislative framework could allow municipalities to allocate funds for private sector development, generate new revenues, create or protect affordable homes, and adopt more inclusionary and efficient zoning. Recommendation No.3 in the NSAHC's report, therefore, is to 'Modernize provincial legislation and regulations.' Pending housing-focused legislative amendments, however, HRM must operate within current legislative constraints.

Nova Scotia's [Municipal Housing Corporations Act](#) (MHCA)⁸¹ states that the object of a municipal housing corporation is to 'construct, hold and manage accommodation for the aged, mentally handicapped or physically disabled or others requiring nursing or custodial care'. Digby, Annapolis, Neil's Harbour and Richmond have formed housing corporations under the MHCA.⁸²

Amending the MHCA to include community members that do not fit in the currently prescribed definitions would allow municipalities (including HRM) to create corporations for the purpose of constructing, holding and managing affordable housing accommodations for all citizens. This would enable Nova Scotian municipalities to create housing corporations for any community member (or group of members) so long as the housing was deemed affordable. Absent amendment, HRM is presently limited to the direct provision of housing to the residents fitting the legislatively prescribed definitions. If Council wishes to pursue the option of directly delivering social housing (pursuant to the MHCA) then legislative amendment would be required.

Section 73 of the HRM Charter provides the ability for the Municipality to enter into and carry out agreements in relation to highways, housing and trails. Regarding housing, Section 73 (b)(i) allows HRM to enter agreements with the province, under the Minister of Community Services, or CMHC, in respect to housing projects. While Section 73 does provide flexibility regarding how the municipality can partner with other levels of government regarding housing, in the past it has only been explored as a tool for financial agreements.

⁷⁹ See [MRHA FOI-request](#) financial statements obtained by Signal Halifax.

⁸⁰ The Affordable Housing Commission has called for consultations with key stakeholders prior to proceeding with legislative amendments, including the Nova Scotia Federation of Municipalities, Association of Municipal Administrators of Nova Scotia, and private and non-profit housing providers and developers. See [Charting a New Course for Affordable Housing in Nova Scotia](#).

⁸¹ See [Municipal Housing Corporations Act, R.S., c. 304, s.11](#).

⁸² See [Digby Town and Municipal Housing Corporation](#) (Tideview); Annapolis County Municipal Housing Corporation; [Highland Manor Municipal Housing Corporation](#) and [Richmond Housing Corporation](#) (Richmond Villa).

Transition Plan

If Council authorizes moving ahead with a social housing transfer (assuming provincial agreement/facilitation), a Transition Plan would be advisable.⁸³ Experience suggests that the asset-transfer process is complicated, necessitating a detailed work-plan. Municipalities in Ontario developed transition strategies that addressed key areas of responsibility, including:

- general administration – for all former federal and provincial programs, as well as for the rent supplement programs;
- reporting and monitoring – monitoring compliance with municipal policies and reporting requirements (if any) imposed by the province;
- management of risk;
- information systems;
- mortgage administration;
- co-ordinated access; and
- rent geared-to-income (income testing) program administration.⁸⁴

Prior to downloading and asset transfer, Ontario municipalities worked on several key activities including: recruiting and orienting a full staff complement;⁸⁵ developing a social housing IT system; conducting a due diligence review on the records being transferred; and documenting processes and procedures.

Legal aspects of the property transfers would also have to be addressed. While these legal costs could be estimated, the actual amount of such costs may only be determined as the actual work is undertaken.⁸⁶

PART II – PARALLEL DELIVERY MODEL | MUNICIPALLY-BACKED HOUSING ORGANIZATION

Housing Organization Overview

A decision not to acquire HNS' portfolio (in whole or in part) does not preclude expanding the municipality's role in affordable housing. As is the case in other jurisdictions, HRM could provide or further support affordable housing in tandem with other non-market housing providers, including the Province. Support for affordable housing could be accomplished/advanced through the medium of a housing organization. It should be noted that such an organization may require enabling legislation.

Generally, a housing organization is an entity dedicated to supporting the development and retention of affordable housing. It can serve one or more municipalities, or a region and can be controlled by a local government or be an independent non-profit society, co-operative or corporation.⁸⁷ Municipal housing organizations are commonly in the form of:

- *Housing Providers:* As a Housing Provider the municipality is responsible for the provision and management of affordable housing stock. Units would be made available for rent or purchase by qualified households. Key functions include property management as well as establishing

⁸³ Transfer Plans were mandated by the Province of Ontario as part of the transition of provincial public-housing assets to municipalities in 2001. The Transfer Plan had to demonstrate that the municipality would have the capacity to take over the administration of social housing programs on the proposed transfer date. The transfer plan needed to be approved by City Council and the Minister before the housing programs can be transferred.

⁸⁴ See [Social Housing Business Transfer Plan](#).

⁸⁵ Recruiting of appropriate staff would be key to the effective administration of the social housing programs. The recruitment strategy would have to take into consideration the municipality's hiring policies for both bargaining unit and non-bargaining unit positions.

⁸⁶ In the case of Toronto, the legal costs associated with the transfer of 600+ properties were estimated at over \$600K.

⁸⁷ See [A Guide for Canadian Municipalities for the Development of a Housing Action Plan](#).

applications, qualifications, wait-lists and processes to manage access to affordable housing opportunities. This type of housing organization would be considered a form of public housing.

- *Land Development Agencies:* A Land Development Agency is a model for municipally-led affordable housing development. Across Canada, municipally-led development often focuses on promoting economic growth. Land Development Agency's (LDA) can effectively leverage municipal real-estate assets to develop affordable housing that is in-line with city objectives and appropriately adapted to local contexts. Some municipalities perform the functions of a LDA in-house, within a housing or real estate department (Saskatoon, Calgary), others rely on an arms-length organization (London, Edmonton, Toronto, Ottawa). While not specifically related to housing, Develop Nova Scotia is an example of a provincial arms length LDA.
- *Community Land Trusts:* A Community Land Trust (CLT) is a model of taking lands off the private market with the intent of preserving long term affordable housing. Land is held under a common single ownership but leased at a low rent to non-profit affordable housing agencies. This model is also sometimes referred to as land banking. CLTs are more prevalent in the United States, however are becoming more common in Canada. CLTs are often associated with not-for-profit organizations, however it is becoming more common for Municipalities to hold title on land and offer long term leases for affordable housing. The Vancouver Affordable Housing Endowment Fund is a Canadian example of a municipally led CLT.

Beyond providing services related to the direct provision, developing or making land available for affordable housing, housing organizations typically perform one or more of the following functions:

- Research affordable housing needs;
- Act as a resource centre for affordable housing information and strategies;
- Act as a repository for affordable housing units created through a density bonus program, inclusionary zoning or a housing fund; and/or
- Draft, review and administer covenants and housing agreements for affordable housing.

In the absence of a housing organization, these responsibilities fall to the local planning department, the development community or the non-profit social housing sector. Although they all play a role, none of these groups is dedicated to creating and managing affordable housing so a housing portfolio typically does not receive adequate attention.⁸⁸

Consideration of Municipal Housing Organization in HRM

Through the recent expansion of affordable housing initiatives and its role in the Rapid Housing Initiative, HRM has shown that it can play a role in supporting affordable housing. Creating a municipal housing organization could expand HRM's role and help focus municipal resources and assets to support affordable housing. While the NSAHC recommended the development of an arm's length independent provincial housing entity, staff still see merit in exploring the formation of a municipal housing organization. Staff can work closely with the province to ensure the scope of the municipal housing organization would complement the independent provincial housing entity and that the two groups can work in tandem.

Further analysis is required to understand the overall scope of a municipal housing organization in HRM and what types of services it could/should provide. Preliminary overviews of financial and governance considerations are outlined below. Staff wish to emphasize that the ability to move forward with forming a municipal housing organization is subject to legal capacity. The necessity for, and scope of, required legislative amendments would be identified based on the preferred governance structure and the role envisioned for the municipally-backed housing organization.

⁸⁸ See [A Guide for Canadian Municipalities for the Development of a Housing Action Plan](#).

Financial Considerations

Creating a housing organization usually requires seed money from external grants and local government, but local governments may mandate housing organizations to develop self-sustaining business models so as not to be an ongoing burden on general revenues from the municipal or regional tax base.⁸⁹ It is important that when local governments create a housing organization, they support it with other resources such as land, cash-in-lieu contributions or delivery of built housing. This support gives the housing organization financing, or the ability to leverage financing, to build affordable housing units and otherwise carry out its mandate. In the HRM-context, a local housing organization would likely need long-term operational funding, as the small number of affordable housing non-profits and cooperatives would not generate enough in membership fees.⁹⁰

Governance Considerations

Municipally-backed housing organizations can operate as non-profit, arms-length entities with varying degrees of direct municipal involvement or can be part of a municipal business unit or department. In the case of Canadian arms-length entities, some have Councillor representation at the Board level, while other Boards operate more independently. Municipalities typically function as sole shareholders (as represented by municipal Council). HRM already has experience funding arms-length entities as vehicles to advance municipal interests – notably the Halifax Partnership and Discover Halifax.

Exploration of governance and reporting structures for a potential housing organization would require additional research and analysis. Staff note that while municipal-specific housing organizations are prevalent, regional variations also exist (i.e. housing organizations that serve the interests of multiple municipalities within a region). In this regard, staff note that the MRHA's geographic scope currently incorporates both HRM and East Hants. Any discussion of governance would have to be preceded by a determination of whether a municipal-specific or regional approach was preferable vis-à-vis a municipally-backed housing organization.

As outlined above, housing organizations can play a variety of roles vis-a-vis the affordable housing sector. In simple terms, these entities break the affordable housing challenge into its parts—designing/building, operating, and financing—and consider which public, private, or non-profit actor(s) can best handle each component. Housing organization mandates need not be static, nor need they be all-encompassing. As discussed above (and illustrated by Attachment 4) the scope and budgets of municipal housing organizations differ considerably. Depending on the will of Council, the role of a municipally-backed housing organization could evolve and expand/contract over time as expertise is gained, staffing is put into place, connections/partnerships are forged, and the organizational mandate is both clarified and refined.

PART III – REFRESH AND EXPAND AFFORDABLE HOUSING WORK PLAN

Municipal Affordable Housing Tools – Overview

Municipalities can play a critical role in the creation and retention of diverse/affordable housing, through both the private market and the use of non-market approaches. Municipalities possess a host of responsibilities, powers, mechanisms, resources and capabilities that can enable them to shape housing across the affordable housing continuum. These represent the “tools” which municipalities can combine into cohesive, comprehensive housing strategies. These tools may also help municipalities to leverage resources of senior governments and the private sector to help create new affordable housing.⁹¹

⁸⁹ While some communities may not have inventories of affordable housing that warrant a dedicated housing organization, smaller jurisdictions may form a housing organization, either at the regional district level or with several municipalities acting together, to build capacity and assist with affordable housing.

⁹⁰ See [Preservation of Social Housing in Halifax: Limitations Facing Non-Profit & Co-operative Housing Providers](#).

⁹¹ See [An Environmental Scan of Municipal Initiatives and Practices](#).

Attachment 1 details affordable housing tools used in jurisdictions across Canada. These tools have been identified by staff through a pan-Canadian survey of municipal planning and development practices and affordable housing strategies.⁹² These policy tools have been loosely grouped based on their nature or purpose. The first and second columns (respectively) name and describe the tool. The third column provides links to city-specific policy-examples from staff's pan-Canadian scan. The fourth column provides (where applicable) links to prior staff reports addressing the policy option. The fifth column identifies whether the policy tool is enabled under the Halifax Charter. The sixth column notes whether the policy tool is currently used in HRM.

Of the 47 tools included in the table, 24 are either currently in place or are in progress in HRM. The balance of 23 tools represent additional (currently unexplored) avenues for deepening HRM's involvement in promoting housing affordability. Two approaches (direct delivery and housing organizations) are addressed in more detail in this report as go-forward options for Council's consideration.

Municipal Affordable Housing Strategy

In developing comprehensive affordable housing strategies, municipalities must identify potential approaches and initiatives, consider how these can be integrated within a comprehensive framework, and set in place appropriate policies and strategies. Available policy tools differ in their direct cost and benefit to a municipality and not all tools are (necessarily) appropriate nor suitable for all communities.⁹³

While the 2018 affordable housing work plan has played a significant role in expanding the municipality's role in supporting affordable housing, staff recommend HRM continue to further explore its role and develop a more thorough affordable housing strategy. Such a strategy can explore how to expand current initiatives, to support affordable housing under the HRM Charter, and can also explore where HRM needs to work with the province (to either amend legislation or develop programs that can compliment each other).

A Municipal Affordable Housing Strategy could also complement the Provincial Housing Strategy recommended by the NSAHC. While a provincial strategy would look at housing issues and solutions from a provincial perspective, a municipal housing strategy would have more narrow focus and would explore solutions specific to HRM. Further, the two strategies can help inform both processes to ensure both strategies compliment each other and work towards similar goals.

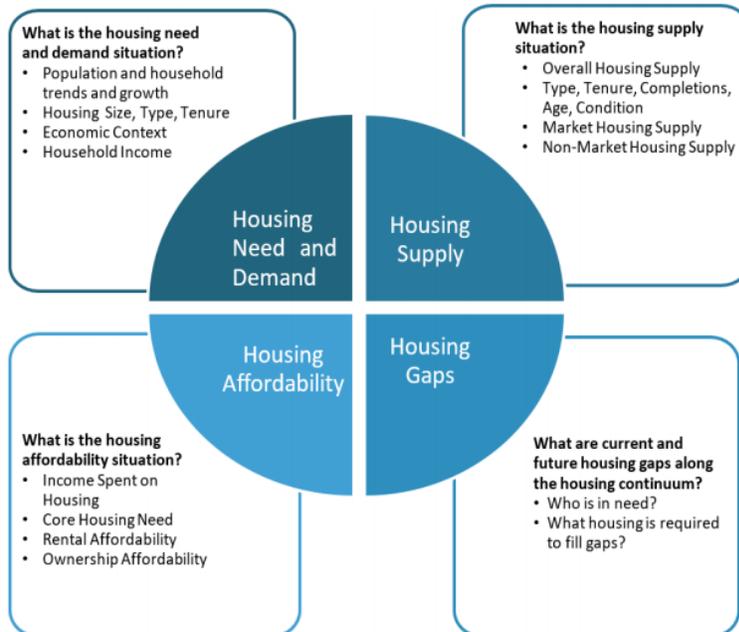
Periodic Housing Needs Assessments

Effective housing solutions require a strong understanding of current and future affordable housing needs. As noted earlier in this report the Halifax Housing Needs Assessment proved an important resource for establishing housing policies and targets.

⁹² See, for example, [An Environmental Scan of Municipal Initiatives and Practices](#); [Municipal Tools for Affordable Housing](#); [Municipal Role in Meeting Ontario's Affordable Housing Needs](#); [Housing Needs Assessment](#)

⁹³ It may be difficult to adopt alternative planning standards or implement inclusionary zoning in rural or suburban areas of metropolitan areas. See [Municipal Land Use Policy and Housing Affordability](#).

Figure 3: Housing Needs Assessment Components



Source: [Kitchener Housing Needs Assessment](#)

Since the release of the HHNA, municipal staff have accessed both internal and external data sources to maintain up-to-date housing and homelessness data⁹⁴ however, such data provides a limited/incomplete affordable housing profile, especially as housing initiatives have changed or have been introduced since the HHNA was originally completed.

Staff, therefore, recommend that a comprehensive update of the HHNA be undertaken every five (5) years, coinciding with the release of (national) Census data. The last census took place in 2016.⁹⁵ The most recent census is taking place in 2021.⁹⁶ This timing is proposed to take advantage of census data that can enhance the municipality's ability to confirm or identify housing trends and gaps and lay the groundwork for addressing the complex challenges related to homelessness and affordable housing.

Data derived from periodic HHNAs would be invaluable in refining planning and development's approach to affordable housing – as reflected in key documents, including the Municipal Planning Strategy (MPS) and Land Use Bylaws (LUBs). Up-to-date HHNA data will result in improved municipal responses and enable targeted, proactive approaches based on quantified community needs.

The value of a Housing Needs Assessment was further highlighted in the NSAHC report. At Council's direction, staff can explore opportunities for partnering with senior government to facilitate data-gathering and to share associated (study) costs. Future versions of the affordable housing work plan could be timed to coincide with (and incorporate insights from) future iterations of the HHNA.

⁹⁴ Including external data-sets maintained by the Province, Statistics Canada, CMHC and the Health Authority.

⁹⁵ See [Census Period](#) for additional detail.

⁹⁶ See [Road to the 2021 Census](#) for additional detail.

CONCLUSION

While acquiring MRHA's public-housing stock may (theoretically) help to preserve that stock, it will not (at least initially) grow the stock. Preservation, of course, is premised on the municipality's ability to address the underlying structural issues that threaten to undermine the integrity of the existing public housing portfolio. The Province has an existing mandate to provide public housing and greater fiscal flexibility (by virtue of an income-based taxation system). Moreover, provincial delivery of public housing allows for synergies with provincially funded and/or delivered support services. Support services include both clinical and non-clinical services that help people to remain stably housed. These services may take a variety of forms and may vary in intensity based on people's needs.⁹⁷

As outlined in this report, the housing-affordability crisis is deepening. Resources are critically needed to help preserve and grow the stock of affordable housing. As such, it may be more appropriate to devote municipal energy (and revenues) toward enhancing policy tools within HRM's existing purview and/or forming a municipally-backed housing organization. Greater focus on available policy levers may do more to improve the housing affordability situation than assuming responsibility for a social housing portfolio/mandate that is already being financed and managed.

RISK CONSIDERATION

Risks associated with this Report's recommendations rate as low.

FINANCIAL IMPLICATIONS

The Housing Needs Assessment Update is estimated to cost approximately \$75K and can be carried out within the approved 2021-22 budget. If Council wishes to pursue other affordable housing initiatives, they will be further considered through the business planning cycle or project specific Council reports.

COMMUNITY ENGAGEMENT

No community engagement was required.

ENVIRONMENTAL IMPLICATIONS

No environmental implications were identified.

ALTERNATIVES

1. Direct the CAO to engage a consultant to undertake a financial analysis of the Housing Nova Scotia portfolio to assess the municipal budget implications of assuming responsibility for direct delivery of affordable housing within HRM.
2. Direct the CAO not to undertake periodic housing needs assessments (to be conducted every 5 years as census information is updated).

⁹⁷ A few examples of supports include counselling, personal support, case management, income support and assistance with applying for social assistance, assistance with medication, and life skills training (e.g. purchasing food/meal preparation, and money management). See [Supportive Housing Best Practice Guide](#).

3. Direct the CAO not to develop an affordable housing strategy that will help define the role HRM will play in supporting affordable housing and explore additional policy tools/levers.
4. Direct the CAO not to explore the feasibility of forming a municipal housing organization.

ATTACHMENTS

| | |
|--------------|------------------------------------------------------------------------------------------|
| Attachment 1 | Affordable Housing Tools |
| Attachment 2 | Phases and Characteristics of Social Housing Sector |
| Attachment 3 | Provincial Responsibility for Housing – Overview by Jurisdiction |
| Attachment 4 | Municipally Operated Housing Authorities |
| Attachment 5 | Overview of Nova Scotia Affordable Housing Commission Recommendations |
| Attachment 6 | Housing and Homelessness Timeline |
| Attachment 7 | Social Housing Sector Characteristics and Challenges |
| Attachment 8 | Joint AMA/NSFM Letter to Province (Response to the Affordable Housing Commission Report) |

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

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ATTACHMENT 1

Table 1: Affordable Housing Tools

| Planning Policies / Processes / Regulatory Measures | | | | | |
|-----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|---------------------|-------------------|---------------------|
| Policy Tool | Description | Examples | Council Report | Enabled (Charter) | Used In HRM |
| Demolition Policy | When rental or affordable units are lost due to demolition the developer must offset the losses by building new rental units or by paying a fee. | Toronto Vancouver | No | No | No |
| Conversion Policy | Policy tools used to protect existing rental housing stock from being converted for other uses (from rental to ownership). | Vancouver | No | No | No |
| Community Plans | Official Community Plan policies that provide direction for how housing types and are permitted. | | No | Yes | Yes |
| Intensification | Redevelopment of existing neighbourhoods, corridors or commercial areas at higher densities to achieve housing affordability and variety in housing forms. ¹ | Victoria | No | Yes | Yes |
| Family Friendly Policy | Stipulate that residential developments include a specified number of units suitable for families (two or more bedrooms). | Vancouver | No | Yes | Yes ² |
| Adaptable Housing Policy | Require developers to construct homes that can be modified (at minimal cost) to meet occupants' changing needs over time. ³ | Vancouver Burnaby Chilliwack | No | No ⁴ | Yes |
| Inclusionary Zoning | Sets a minimum percentage of units within a zone which must be developed as affordable housing. | Victoria Vancouver Toronto | Yes | No | No |
| Modular Housing Policy | Facilitate the use of modular/prefabricated housing that can be built off-site and deployed on-site. | Vancouver Toronto | Yes | Yes | Yes ⁵ |
| Commercial Linkage Fees ⁶ | Fees charged to developers of new office or retail properties and used to fund the development of affordable housing. | Whistler | No | No | No |
| Density Bonusing | Developments are allowed height or size bonuses beyond the standard for a zone in exchange for building affordable units. | Toronto Vancouver Calgary | Yes | Yes | Yes |

¹ Intensification may include redevelopment (including the reuse of brownfield sites), development of vacant and/or underutilized lots, the conversion or expansion of existing buildings, and infill development, and may include Greenfield sites with development densities higher than historical norms.

² A family friendly policy approach is currently reflected in HRM's secondary planning documents.

³ For an overview, see [Assessment of Adaptable Housing Design Needs and Solutions](#).

⁴ While HRM does not have an adaptable housing policy, recent amendments to the [NS Building Code](#) have introduced adaptability requirements (see Section 3.8.4)

⁵ Most municipal rules regarding mobile dwellings are prohibitive or related to mobile home parks.

⁶ Sometimes called jobs-housing linkage fees, these development cost charges are typically assessed on a per square foot basis. They are used to offset the impact of new commercial and other job-generating developments on local housing availability.

| | | | | | |
|------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|---------------------|-----|-------------------------|
| Secondary Suite Policy ⁷ | Allowing and promoting secondary suites as habitable units in existing structures and/or in accessory structures. | Victoria Vancouver | Yes | Yes | Yes |
| Lock-Off-Suite Policy ⁸ | Allowing and promoting lock-off-suites as habitable units in existing structures. | Victoria Gibsons | Yes | Yes | Yes |
| Shared Housing Policy ⁹ | Policy to facilitate the design and construction of shared housing (residential care facilities; group homes; transitional housing; and halfway houses). | Chilliwack | No | Yes | Pending |
| Micro Housing Unit Policy | Allow small dwellings (less than 500 square feet) with a compact layout (fixed and/or mobile designs). | Calgary Edmonton | Yes | Yes | Yes ¹⁰ |
| Short Term Rentals Regulation | Regulate temporary overnight accommodations rented out by property owners or tenants (typically for a few nights or weeks). | Burnaby Toronto Oshawa | Yes | Yes | Pending |
| Good Repair Regulation | Compel landlords to maintain rental properties in good repair (including multi-unit buildings, secondary suites, detached houses and condominiums). | Saskatoon Vancouver | Yes | Yes | Yes |
| Residential Rental Tenure Zoning ¹¹ | Require that new housing in residential areas be developed as rental units and ensure that existing areas of rental housing are preserved as such. | New West Richmond | No | No | No |
| Relaxed Parking Requirements | Relaxed parking space requirements for higher density affordable housing, especially when near transit and major services. | Bellville Victoria | No | Yes | No ¹² |
| Affordable Housing Agreements | Development approvals subject to terms relating to form of tenure, the groups that have access to the units, rent levels and/or management specifications. | Edmonton | No | Yes | Yes |
| Expedited Approval Process | Fast track affordable housing projects through the development approval process | Toronto Vancouver Burnaby | No | Yes | No |

Fiscal Policies

| Policy Tool | Description | Examples | Council Report | Enabled (Charter) | Employed In HRM |
|----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-----------------------|--------------------------|------------------------|
| Affordable Housing Reserve | A municipal account to receive funds that will be used to support affordable housing initiatives. Funds can come from property taxes or cash-in-lieu of providing affordable housing. | Richmond Vancouver Victoria | Yes | Yes | Yes |

⁷ Secondary suites may also be known as garden homes, laneway housing or granny flats.
⁸ Secondary suites have their own external door, which is visible from the street, while lock-off suites may or may not share an entry with the main unit.
⁹ Shared Housing is a broad term that describes housing shared by a group of individuals where support services may be provided.
¹⁰ While HRM's Land Use By-Laws do include size requirements for single unit dwellings, the municipality does currently permit micro units in multiple unit dwellings.
¹¹ See [Residential Rental Tenure Zoning](#).
¹² Although HRM does not have a policy linking relaxed parking requirements to affordable housing, recent planning initiatives (e.g. Centre Plan) do not require parking where the property's residents have access to transit and amenities.

| | | | | | |
|----------------------------------------|------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------|-------------------|---------------------|
| Land Trust or Land Bank ¹³ | Allocating surplus lands for affordable housing, as well as acquiring and dedicating new lands for affordable housing. | Edmonton Toronto Vancouver | Yes | Yes | Yes |
| Pre-Development Grants ¹⁴ | Pre-development grants to non-profits intending to build affordable, emergency or transition housing. | Calgary Toronto | No | Yes | Yes |
| Shovel-Ready Grants ¹⁵ | Grants to non-profits to build affordable, emergency or transition housing. | Vancouver Edmonton | Yes | Yes ¹⁶ | Yes |
| Operating/Maintenance Grants | Grants to non-profits to operate or maintain affordable, emergency or transition housing. | | Yes ¹⁷ | Yes | No |
| Secondary Suite Grants | Grants to homeowners who build a secondary suite and maintain rental affordability. | Toronto Victoria Edmonton | Yes | No | No |
| Home Ownership Financing ¹⁸ | Financing to help lower-income households buy a home. | Calgary Saskatoon Vancouver | No | No | No |
| Home Accessibility Financing | Financing to modify/adapt dwellings to improve accessibility and/or allow aging in place. | Montreal | No | No ¹⁹ | No |
| Carbon-Offset and Efficiency Financing | Financing to retrofit existing units or build new affordable housing for higher energy performance | Toronto | Yes | Yes | Yes |
| Tax Exemption or Reduction | Waiving or reducing property taxes on affordable housing. | Toronto Vancouver | Yes | Yes ²⁰ | Yes |
| Reduced Development Fees | Waiving or reducing development fees and conversion fees on affordable housing projects. | Kamloops Toronto Vancouver | Yes | Yes | Yes |
| Below Market Land Leases | Lease municipal land to affordable housing projects at below market value. | Kamloops Kelowna | Yes | Yes ²¹ | Yes |

¹³ For an overview of land banking and community land trusts in Canada see [Co-operative Land Trust Research | Opportunities and Barriers](#).

¹⁴ Pre-development activities may include site analysis, acquisition of land, remediation, site development, feasibility studies, design work, acquisition of and design work for temporary facilities, and preliminary approval of the demonstration project.

¹⁵ Shovel-ready describes a construction project that has reached a stage where planning and engineering is advanced enough that (with enough funding) construction can begin within a very short time.

¹⁶ See [Administrative Order 2020-008-ADM](#) (Respecting Grants for Affordable Housing)

¹⁷ HRM's Community Grants Program funds maintenance but does not cover operational costs. Maintenance costs can be recovered through HRM's new [Affordable Housing Grant Program](#).

¹⁸ Municipalities have an interest in transitioning financially stable renters from apartments to houses. Among other reasons, it frees up rental units and grows their property tax base. Options include down-payment assistance and shared equity ownership. For an overview of Canadian down payment assistance programs see [here](#).

¹⁹ Recent amendments to the Halifax Regional Municipality Charter permit HRM to provide direct financial assistance to a business for the purpose of improving accessibility for people with disabilities.

²⁰ See [Administrative Order 2014-001-ADM](#) (Respecting Tax Relief to Non-Profit Organizations). See [also Item No.9.1.1 HRM Grants Committee September 20, 2021](#) |Tax Relief for Non-Profit Organizations: Fiscal Year 2021-2022.

²¹ See [Administrative Order 50](#) (Respecting the Disposal of Surplus Real Property).

| | | | | | |
|---------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|---------------------|-------------------|---------------------|
| Below Market Land Sales ²² | Sell municipal land to affordable housing projects at below market value. | Calgary | Yes | Yes ²³ | Yes |
| Landlord Risk Mitigation Fund ²⁴ | Financial assurances to landlords to address rental risks such as damage to property, non-payment of rent or eviction costs. | Kingston Vancouver | No | No | No |
| Rent Bank | Loans/grants to low-income rental households which are unable to make their rent due to financial hardship or other factors. | Toronto Vancouver | No | No | No |

Housing Sector Policies

| Policy Tool | Description | Examples | Council Report | Enabled (Charter) | Employed In HRM |
|-------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|---------------------|-------------------|-----------------|
| Resale Price Restrictions | Limitations on the resale price of homes initially sold by local governments, housing organizations or developers at a price lower than market value. ²⁵ | Canmore | No | No | No |
| Tenant Right of First Refusal | Require developers to offer new units to existing tenants (although these may not be rental units). | Surrey Vancouver | No | No | No |
| Tenant Assistance Policy | Require developers to mitigate the impacts of the relocation process for existing tenants by providing financial compensation and/or additional relocation support. ²⁶ | Surrey Vancouver Victoria | No | No | No |
| Resident-Restricted Housing ²⁷ | Use covenants that impose occupancy and resale conditions to preserve housing for local employees/residents. | Canmore Whistler | No | No | No |
| Rent Control | Limit the amount of rent a landlord can charge, either by setting a rent ceiling and/or by limiting rent increases. | Ontario BC, PEI Manitoba | Yes | No | No |
| Rental Registry | Database/registry of rental properties that have been inspected by the Municipality. ²⁸ | Toronto | Yes | Yes | Pending |
| Rental Unit Licensing | Residential building licensing model to support minimum health, safety, and livability standards. ²⁹ | Oshawa Hamilton London | Yes | Yes | Pending |

²² This can include the municipality financing the sale through deferred payments (i.e., payments made over time).

²³ See [Administrative Order 50](#) (Respecting the Disposal of Surplus Real Property).

²⁴ May also be referred to as landlord guarantee funds, risk funds, risk pools, or landlord damage insurance funds.

²⁵ The restrictions can tie the unit sale price to a resale price formula (such as appreciation equal to the Consumer Price Index), or it can be pegged to a percentage below market value at the time of sale where market value is determined by appraisal. The restrictions may take the form of a memorandum of lease, joint ownership agreement, option agreement, restrictive covenant, mortgage or tenancy agreement.

²⁶ Typically applies to developers seeking a rezoning or development permit for redevelopment or major renovations resulting in permanent relocation of tenants in existing residential rental units.

²⁷ Resident restricted housing is a type of non-market affordable housing that caters to full-time resort resident employees and their families in search of more reasonably priced accommodation within a more expensive resort housing market.

²⁸ The purpose of registration is to enable the city to find property owners in case of emergencies or code violations, and to make sure the owner understands his obligations under city ordinances.

²⁹ Rental licensing combines rental registration and inspection. Under a licensing regime a rental property is not eligible for registration unless it complies with key health and safety standards.

| | | | | | |
|---------------|----------------------------------------------------------------------------------------------------------------------------|---------------------------|----|----|----|
| Rental Office | Municipal Office to help renters find information and support residents to understand and pursue their rights as a renter. | Vancouver | No | No | No |
|---------------|----------------------------------------------------------------------------------------------------------------------------|---------------------------|----|----|----|

Direct Provision

| Policy Tool | Description | Examples | Council Report | Enabled (Charter) | Employed In HRM |
|-------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|---------------------|-------------------|-------------------|
| Private-Public Partnerships | Collaboration between public and private sectors to develop affordable housing. | Edmonton | No | – | No |
| Municipal Housing Corporation | An entity dedicated to providing and managing affordable housing stock that is for rent or purchase by qualified individuals and families. | See Attach 4 | No | – | No |
| Wait List | Persons in need of affordable housing can be placed on a list until new affordable housing becomes available. | | Yes | No | Yes ³⁰ |

Other

| Policy | Description | Examples | Council Report | Enabled (Charter) | Used In HRM |
|----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|---------------------|-------------------|-------------|
| Housing Needs Assessment ³¹ | Provides an overview of the amount of housing that is currently available in the market place and how it compares to incomes and demand. | Winnipeg Kamloops Kitchener Calgary | Yes | Yes | Yes |
| Affordable Housing Strategy | A municipal policy document that acknowledges shortage of affordable housing and lays out a strategy to address the issue. | Calgary Edmonton Victoria | Yes | Yes | Yes |

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Legend: Dash (–) indicates further legal analysis required

³⁰ Wait lists are maintained by organizations external to HRM as part of the federally-funded [Reaching Home Strategy](#), [Housing First](#) and Coordinated Access. For additional details see [Item No. 10.2 Halifax Regional Council April 30, 2019](#).

³¹ An HRM-specific [Housing Needs Assessment](#) was conducted by SHS Consulting in 2015.

ATTACHMENT 2

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Table 4: Phases and Characteristics of Canadian Social Housing Sector

| Phase and Units Created | Characteristics of Provider | Funding | Target Client Populations | Rent Structure |
|-------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| Public Housing (1949-1974) 205K Units | Provincially owned housing corporations. Strong professionalism and expertise, but rigid and risk adverse operating structure | Joint federal-provincial capital funding or alternatively federal loan and shared-cost subsidy to cover operating deficit from low RGI rents. No capital reserve or sinking funds. | Families and seniors of low-moderate income; over time became 100% targeted | Predominantly close to 100% RGI |
| Early Community Housing (1964-1978) 80K Units | Small non-profit and coops, some municipal corporations, charitable organizations and faith groups. Many small, with limited expertise and capacity | Below market rate loan, and partial forgiveness; no ongoing subsidy but some rent supplement stacking after 1970 | Family and senior, moderate income (rents set on a breakeven (cost rent) basis | Cost-based rents at breakeven (moderate, but not RGI, except where separate Rent supplement), and some internal cross-subsidy |
| Expansion of Community Housing (1978-1994) 260K Units | Mix of municipal housing corps, alongside small independent non-profit and cooperatives. Mixture of expertise and capacity as above for each sub-segment | 1978-85, insured loan plus operating subsidy (finite); 1985-94 revised subsidy to cover full operating deficit with higher targeting to RGI. Annual funding to support capital reserves (sinking fund) | Senior, family, singles and special purpose (& subprogram targeting urban Aboriginal) | 1978-85 Mixed income, Min 25% RGI, rest at low end of market; Post 1985 targeted to core need, higher proportion RGI |
| Retrenchment/ Restructuring (1994-2001) Minimal | Few new non-profits (limited mainly to BC, Que), Minimal number “non-program based” developments/ organization | No new funding; transfer of admin responsibilities to PT, attempt to freeze federal subsidy at 95/96 level | Dependent on provider policies and market circumstances | BC/Que mixed with some RGI, rest breakeven rent. |
| Reengagement Affordable Housing (2001-Present) 50K Units | Expansion of some existing plus some new independent NPs; commencement of EOA places projects outside of a governance structure | New funding in form of onetime capital grant, no ongoing subsidy (except where implemented at PT level). PT cost matching plus some additional municipal contributions | Same mix as community housing | Rents 80%-100% AMR, with some separate rent supplement for RGI in some PTs |

* These phases generally coincide with significant amendments to the National Housing Act, especially 1949, 1964, 1978, or to federal budgets (1993, 1996 and 2001).

Source: [Envisioning a Modernized Social and Affordable Housing Sector in Canada](#)

ATTACHMENT 3

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Table 5: Provincial Responsibility for Housing – Overview by Jurisdiction

| Jurisdiction | Crown Corporation (Admin and/or Funding) | Housing Legislation | SHA with CMHC | NHSA with CMHC | Housing Strategy | Annual Report |
|---------------------------|---------------------------------------------------------------|------------------------|---------------------|----------------------|---------------------|----------------------|
| Alberta | Alberta Mortgage and Housing Corporation | Act | Yes | Yes | Yes | 2019 |
| British Columbia | BC Housing | Act | Yes | Yes | Yes | 2020 |
| Manitoba | Manitoba Housing and Renewal Corporation | Act | Yes | Yes | Yes | 2020 |
| New Brunswick | New Brunswick Housing Corporation | Act | Yes | Yes | Yes | 2020 |
| Newfoundland and Labrador | Newfoundland and Labrador Housing Corporation | Act | Yes | Yes | Yes | 2020 |
| Northwest Territories | Northwest Territories Housing Corporation | Act | Yes | Yes | Yes | 2020 |
| Nova Scotia | Housing Nova Scotia | Act | Yes | Yes | Yes | 2019 |
| Nunavut | Nunavut Housing Corporation | Act | Yes | Yes | Yes | 2020 |
| Ontario | Housing Services Corporation* | Act | Yes | Yes | Yes | 2019 |
| Prince Edward Island | Prince Edward Island Housing Corporation | Act | No | Yes | Yes | 2020 |
| Quebec | Société d'habitation du Québec | Act | No | Yes | Yes | 2020 |
| Saskatchewan | Saskatchewan Housing Corporation | Act | Yes | Yes | Yes | 2019 |
| Yukon | Yukon Housing Corporation | Act | Yes | Yes | Yes | 2020 |

Legend: NHSA: National Housing Strategy Agreement | SHA: Social Housing Agreement

* In Ontario Service Managers (at municipal or regional levels of government) have been delegated responsibility for homelessness and affordable housing. For a detailed overview see [here](#).

ATTACHMENT 4

Table 6: Municipally Operated Housing Authorities

| Overview | | | Reporting | | Mandate | | | | Portfolio and Finances | | | | | |
|-----------------------------|------------|----------------------------------------------------|---------------------------|-------------------------|-------------------|-------------------|-------------------|------------------------|------------------------|-----------------------|-----------------------|------------------------------|-----------------------|-------------------------|
| City or Municipal Strategy | Population | Housing Authority | Authority Strategy | Authority Annual Report | Emergency Housing | Community Housing | Housing Subsidies | Repair and Renovations | No. of Units | Revenue (Millions) | Expenses (Millions) | Deficit / Surplus (Millions) | Assets (Millions) | Liabilities (Millions) |
| Banff | 8K | Banff Housing Corporation | 2020 | - | No | Yes | Yes | No | 134 | 2.0 | 1.4 | 0.56 | 14.5 | 13.4 |
| Calgary | 1.2M | Calgary Housing Company | 2016-2025 | 2019 | No | Yes | Yes | No | 7.1K | 119.1 | 108.8 | 10.3 | 48.8 | 41.8 |
| Canmore | 14K | Canmore Community Housing | 2019-2021 | 2021 | No | No | Yes | No | 252 | 0.52 | 0.50 | 0.02 | 8.3 | 15.6 |
| Edmonton | 981K | Capital Region Housing | 2020-2024 | 2019 | No | Yes | Yes | No | 5.1K | 31.9 | 51.8 | -25.3 | 136.4 | 104.1 |
| London | 404K | Housing Development Corporation | 2019-2023 | 2019 | Yes | Yes | Yes | Yes | 790 | 3.13 | 0.869 | 2.26 | 7.93 | 7.79 |
| Montreal | 1.8M | Office Municipal d'habitation | 2015-2019 | 2019 | No | Yes | Yes | No | 23K | 280.6 | 278.4 | 2.2 | 946.5 | 913.5 |
| Peel Region | 1.6M | Peel Regional Housing Corporation | 2018-2028 | 2020 | Yes | Yes | Yes | Yes | 6.9K | 106.5 | 102.2 | 4.2 | 388 | - |
| Toronto | 6.2M | Toronto Community Housing | 2019-2020 | 2019 | Yes | Yes | Yes | Yes | 60K | 692.3 | 735.6 | -43.3 | 4,071 | 1,055.7 |
| Victoria | 386K | Capital Region Housing Corporation | 2018 | 2200 | No | Yes | Yes | No | 1.7K | 18.1 | 18.1 | 0 | 175.1 | |
| Whistler | 12K | Whistler Housing Authority | 2021 | 2021 | No | No | Yes | No | 2.1K | 9.2 | 4.2 | 4.9 | - | - |
| Wood Buffalo | 71K | Wood Buffalo Housing | 2018-2020 | 2020 | No | Yes | Yes | No | 1.3K | 28.3 | 30.2 | 1.9 | 301.4 | 174.6 |

ATTACHMENT 5

Overview of Nova Scotia Affordable Housing Commission Recommendations

On May 31, the Nova Scotia Affordable Housing Commission (the Commission) presented its final report to the Minister of Infrastructure and Housing. Titled “Charting a new course for affordable housing in Nova Scotia”, the report details Nova Scotia’s urgent need for improved affordable housing and sets out recommendations and actions for the Provincial Government to help meet the diverse housing needs of Nova Scotians.

The report has 17 recommendations and 60 associated actions to increase the supply and access to affordable rental housing. The recommendations are broadly categorized by how quickly they can be implemented:

- Quick Start Investments – funding commitment within 100 days;
- Short-Term Action – 2021/22;
- Medium-term Action – 2022/23-2023/24; and
- Long-term Action – 2024/25 – 2025/26.

Of the 17 recommendations, 4 (numbers 5, 6, 10 and 11) propose related actions as “Quick Start Investments”. These aim to commit \$25 million in funding from the Provincial Government within the next 100 days to increase the supply and access to affordable housing. The following provides a brief summary of the 17 recommendations.

- 1. Establish an arm’s length independent provincial housing entity** (Short-Term Action)
 - Establish a new provincial housing entity with the independence—the financial and decision-making authority—to respond to changing market conditions and the needs of residents and communities, optimizing resources and partnering for new solutions.
 - Keep the current Commission as an advisory committee to support the implementation of recommendations, until the new entity is established and a board is appointed.
- 2. Recognize housing as a right and a key strategic sector for economic development, health, and social equity** (Short-Term Action)
 - Consult with stakeholders to better understand how government can design and implement effective human rights-based housing strategies.
 - As the Premier’s Economic Growth Council gets underway, make the Commission’s key recommendations a central and high-priority tenet: that housing is a right and a driver of inclusive economic growth and a core component of health, well-being, and social equity.
- 3. Modernize provincial legislation and regulations** (Short-Term Action)
 - Review and amend the pertinent provincial legislation and regulations necessary to implement the Commission’s recommendations.
- 4. Develop a long-term provincial housing strategy** (Medium-Term Action)
 - Mandate the new housing entity (see recommendation 1) to develop a provincial housing strategy that sets a 10-year vision for affordable housing.
 - Engage private sector, community housing partners, homeless-serving agencies, academia, public sector, and other key stakeholders in strategy development, including the identification of targets and outcomes.
 - As part of this work, develop strategies to better understand the specific housing needs and address the historic and systemic barriers faced by people of African descent and Indigenous communities to accessing affordable housing.

5. Empower municipalities to become key partners in affordable housing (Quick-Start Action & Short-Term Action)

- Recognize municipalities as a key partner in affordable housing. By amending the Municipal Government Act and HRM Charter, the Province can grant local governments the authority they need— to eliminate or minimize municipal taxes, fees, or charges for affordable housing developments, including partnering with the private sector, if they so choose.
- Authorize municipalities to use inclusionary zoning in private development in lieu of bonus zoning charges, in combination with appropriate incentives to avoid any additional costs to the development.
- Ensure municipalities have adequate support and resources to complete a housing needs assessment.
- **Quick Start Investment:**
 - To address the urgent need for more supply, we recommend that Government invest \$500,000 within the next 100 days to support municipalities to complete a housing needs assessment to establish a baseline from which they must plan for sufficient amount and diversity of housing supply to meet projected needs.

6. Support the creation of more affordable housing, prioritizing a mixed-income, multi-partner approach (Quick-Start Action & Short-Term Action)

- Invest immediately in multi-partner mixed-use, mixed-income demonstration projects that feature innovative construction techniques.
- Target funding to support proponents that can leverage federal funding under the Rapid Housing Initiative.
- Create new rent supplements to support affordable housing projects that receive a government capital contribution, to achieve a deeper level of affordability for people living on very low income.
- Double current investments in the provincial Affordable Housing Program.
- Work with partners in the non-profit and private sectors on potential affordable housing development projects ('pipeline' projects) that could be initiated within 12 months.
- Enhance provincial incentives to boost the supply of new affordable rental housing through new construction or conversion of non-residential buildings.
- Leverage public assets through options such as divestiture to community housing providers or Community Land Trusts.
- **Quick Start Investment:**
 - To address the urgent need for more supply, we recommend that Government invest \$20 million within the next 100 days to:
 - Invest immediately in multi-partner mixed-use, mixed-income demonstration projects that feature innovative construction techniques.
 - Target funding to support proponents that can leverage federal funding under the Rapid Housing Initiative.
 - Increase the number of rent supplements to support affordable housing projects that receive a government capital contribution, to achieve a deeper level of affordability for people living on very low income,
 - Double current investments in the provincial Affordable Housing Program.

7. Reduce costs for new affordable housing (Medium-Term Action)

- Offer a rebate for the provincial portion of the HST (Harmonized Sales Tax) on new construction that includes affordable housing.
- This fiscal year, authorize municipalities to waive, reduce, or defer the payment of certain construction-related fees on new construction or preservation of market and non-market rental housing, if they so choose.
- Develop an affordable rental housing construction tax credit in exchange for a minimum number of affordable units that remain affordable for a specified period of time.
- Create a program to use vacant or under-utilized public land suitable for residential use, or buildings for affordable housing and incentivize their development.

- Allocate additional density in urban areas with high growth and high demand by providing incentives for creation of affordable housing over and above the allocated density.
- Work with the Property Valuation Services Corporation to consider creating a new assessment classification for affordable housing.
- Explore the benefits of transferring public lands to support the creation of Community Land Trusts.

8. Reduce regulatory and non-cost barriers of new development (Medium-Term Action)

- This fiscal year, initiate a review of the impact of existing regulations on the development process and identify innovative ideas and solutions for regulatory and service reforms.
- Work with the Nova Scotia Apprenticeship Agency (NSAA) and Department of Labour and Advanced Education (DLAE) and the Nova Scotia Office of Immigration to address the shortage in skilled trades required for residential construction identified by the Commission. This should include a review of practices and processes, including those related to hiring foreign workers in the residential construction industry that may contribute to this shortage, which can have unintended consequences on the development of affordable housing.
- Attract, hire, and train more women, Indigenous people, People of African descent, and individuals from other marginalized groups into the trades with a supply shortage.

9. Prevent the loss of affordable homes (Medium-Term Action)

- Increase provincial funding for repair and renewal of existing affordable market and non-market rental housing.
- Work with municipalities to create incentives for developers to retrofit existing units and make them affordable. This could include a property tax reduction to create or preserve affordable units.
- Create a provincial loan program to help non-profit housing providers finance the acquisition of low-end of market rental properties at-risk of being converted to high-end development.
- In collaboration with municipalities, create an initiative to ensure that the number of units at or below average market rents in a building being redeveloped are preserved in the new development along with the approved new density.

10. Build community housing capacity (Quick-Start Action & Medium-Term Action)

- Create a Community Housing Growth Fund co-created with sector organizations.
- Work with the community housing sector to develop a comprehensive baseline, identify gaps and gather data to support planning and long-term strategies for sector stabilization, transformation and growth.
- **Quick Start Investment:**
 - To address the urgent need for more supply and build capacity in the community housing sector, we recommend that Government invest \$2.5 million as a start-up fund within 100 days to create a Community Housing Growth Fund. This program should be co-created with sector organizations.

11. Transform our public housing model (Quick-Start Action & Medium-Term Action)

- Review the public housing operating model to:
 - Improve operational efficiency and effectiveness.
 - Continue to advance transformation activities, including asset transfer processes in partnership with community housing providers.
 - Review the rent model and explore alternative approaches.
- Continue the work underway to develop an asset management plan that includes opportunities for redevelopment in partnership with the community housing sector.
- **Quick Start Investment:**
 - There is an immediate need to invest in modernizing provincially-owned housing stock to ensure that it meets the changing client needs. This includes upgrades to the energy efficiency of buildings and renewal of buildings and units. We recommend that Government implement this quick action within 100 days by investing \$2 million this fiscal year to modernize the

provincially-owned stock, including improvements to overall condition levels, and energy efficiency projects to reduce operating costs, decrease greenhouse gases, and create jobs across the province.

12. Expand housing options that meet the needs of seniors and vulnerable Nova Scotians (Medium-Term Action)

- Incentivize creation of secondary suites that ensure long-term rent affordability through a new Secondary Suite Program.
- Incentivize companion housing arrangements between seniors and younger people, particularly in rural areas.
- Work with stakeholders to support the development of a voluntary online rental housing registry that would be operated by landlords, to attract and connect prospective tenants seeking affordable housing directly with participating landlords.
- Create a dedicated budget for construction of new rooming houses, and for repair of existing rooming housing.
- Increase the number of rent supplements to help low-income households access market rental units in high cost areas.
- Adopt a multi-disciplinary supportive housing approach to help keep people housed long-term and participate in the community in meaningful way, both socially and economically

13. Provide targeted resources and supports to vulnerable and underrepresented communities (Medium-Term Action)

- Target investments through dedicated program streams to preserve and expand affordable, energy-efficient and accessible housing options for underrepresented communities.
- Fund culturally responsive initiatives such as housing community liaisons or navigators to build the capacity needed within communities to leverage available funding to preserve and build more affordable housing that meets their needs.
- Partner with underrepresented communities to set targets and outcomes (see recommendation 4) for removal of systemic barriers to affordable rental housing and homeownership.

14. Enhance renter protections, equitable access, and better-functioning conditions for rental housing (Medium-Term Action)

- Maintain the current temporary measures established through the Direction of the Minister under the Emergency Management Act until February 1, 2022 or when the Provincial State of Emergency is lifted, whichever comes first.
- Discontinue these measures once the time limit outlined in the Direction is reached.
- In collaboration with municipalities, tenants, landlords, and other stakeholders, explore opportunities to support eviction prevention, provide temporary assistance to low-income households facing evictions due to planned renovations, improve access to legal aid services, and consider developing retention plans to prevent the loss of long-term renters that are at risk of being priced out of their neighbourhood.
- Review the *Residential Tenancies Act* to examine opportunities to improve renter protection and strengthen landlord-tenant relations. This should include options to minimize the impact of evictions due to renovation on tenants and improve the overall efficiency of the application process and the administration of the program.
- Work with other government bodies, such as the Human Rights Commission, to address concerns related to discrimination, especially during renter application processes.

15. Address the specific needs of rural and non-urban communities (Long-Term Action)

- Building on consultation undertaken in 2019 by the Province related to regulation of short-term rentals, work with stakeholders to identify options to address concerns related to conversion of rental stock into short-term rentals, ensuring both an adequate supply of accommodation for visitors and permanent housing for local residents.

- Provide financial incentives, targeted to areas of need identified through municipal housing needs assessments, to non-urban and rural municipalities to develop regional housing strategies and create Regional Housing Networks to lead and implement housing plans.
- Work with industry, community housing sector, and municipalities to reform provincial programs and ensure funding and requirements are responsive to the dynamics of the rural housing market and can attract private investment to build affordable housing.
- Target funding for new development and preservation of affordable rental units to non-urban and rural areas with demonstrated housing need.
- Create education and awareness campaigns to reduce opposition to affordable housing.

16. Improve access to rental housing data (Medium-Term Action)

- Create an online provincial housing data portal to provide accurate and timely information about the Nova Scotia rental housing market, including both demand and supply.
- Develop a rental housing database.
- Develop a geospatial platform to visualize housing data.
- Work in partnership with other levels of government, the private sector, and non-profits to develop shared understanding, methodologies and data on the dimensions of housing need.

17. Support innovation and promote cross-sectoral partnerships (Long-Term Action)

- Establish a provincial or regional Housing Research Network in collaboration with other Atlantic provinces and post-secondary institutions, to undertake targeted and larger-scale research, share information, and transfer knowledge from research findings to housing providers, stakeholders, and policy practitioners.

ATTACHMENT 6

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Table 7: Housing and Homelessness Timeline

| Date | Development |
|------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1995 | Province assumes responsibility for the direct delivery of public housing in HRM under the terms of the provincial-municipal Service Exchange |
| 2004 | Council receives Homelessness in HRM: Portrait of Streets and Shelter report detailing the scope and characteristics of the municipality's homeless and at-risk population |
| 2008 | HRM Charter amended to allow for density bonus program within the Downtown Halifax Plan Area |
| 2008 | Council receives an information report outlining the municipality's affordable housing functional plan and providing an overview of housing affordability |
| 2012 | Halifax Report Card On Homelessness produced by the Nova Scotia Housing and Homelessness Network |
| 2013 | Council endorses HRM's formal participation with the Housing and Homelessness Partnership (HHP) |
| 2013 | HRM Charter amended to allow for density bonus program within the entire Regional Centre – Provision of affordable housing is required form of public benefit |
| 2015 | Council receives Housing Needs Assessment |
| 2015 | HHP's Affordable Housing Working Group develops a 5-year affordable housing Strategic Plan |
| 2016 | Council approves in principle HHP's 5-year affordable housing targets and directs staff to develop an implementation framework to meet the targets |
| 2016 | Council requests that the Province (a) amend the Halifax Regional Municipality Charter to enable Council to implement inclusionary housing for all or part of the Municipality; and (b) add a region-wide density bonusing tool. |
| 2017 | Council requests that staff prepare a report assess options for requesting the transfer of the provincial responsibility to operate and deliver housing programs and services within the boundaries of Halifax |
| 2017 | Council approves Public Safety Strategy identifying housing/homelessness as public safety priorities |
| 2017 | Council directs staff to consider amendments to municipal planning strategies and land-use by-laws to simplify, consolidate and remove barriers to the development of special care facilities |
| 2017 | Council approves amendments to Building By-law to remove building permit fee for affordable housing developments. |
| 2018 | Council approves Affordable Housing Work Plan |
| 2019 | Federal Government adopts the National Housing Strategy Act which recognize that the right to adequate housing is a fundamental human right affirmed in international law |
| 2019 | Council receives Building Poverty Solutions report |
| 2019 | Council directs staff to amend By-law M-201 to include provisions for mandatory registration of residential rental accommodations |
| 2019 | Council directs staff to disclose/make-public residential occupancy standards violations (per the terms of AO 2011-006- ADM) |
| 2020 | Council approves Social Policy identifying housing as a focus area |
| 2020 | Council adopts planning amendments to allow secondary suites and backyard suites |

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|------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2020 | Council directs staff to develop planning policies to enable clustered tiny home developments |
| 2020 | Council directs staff to explore potential approaches to leveraging surplus municipal land for affordable housing |
| 2020 | Council adopts AO 2020-008-ADM to facilitate grants for affordable housing |
| 2020 | Council directs staff to develop short-term rental registration requirements |
| 2020 | Council adopts amendments to By-law M-201 to require registration of residential rental accommodations |
| 2020 | Council adopts amendments to AO 15 and several by-laws to waive municipal related construction fees for affordable housing developments |
| 2020 | Council adopts amendments to AO 50 to create a municipal surplus land category specific for properties for affordable housing purposes |
| 2020 | Council adopts amendments to AO 2014-001-ADM to provide streamlined and predictable multi-year property tax relief for registered non-profit or charitable housing groups |
| 2020 | Council authorizes the less-than-market-value sale of two (2) surplus municipal properties to facilitate the development of affordable housing projects |
| 2020 | Council receives affordable housing work plan update outlining progress and next steps |
| 2020 | Council receives information report providing an overview of rent control |
| 2020 | Council directs staff to create an investment plan and enter into Agreements with housing providers and CMHC to finance/build three (3) Rapid Housing Initiative (RHI) projects |
| 2020 | The province announces the creation of the Nova Scotia Affordable Housing Commission including representation from HRM. |
| 2021 | Council requests staff report regarding sale or long-term lease of land to Shelter NS for the development of a mixed-use community service centre, emergency shelter and affordable housing development |
| 2021 | The Canadian Centre for Policy Alternatives releases Keys to a Housing Secure Future for all Nova Scotians |
| 2021 | The Nova Scotia Housing Commission releases the Charting a new course for affordable housing in Nova Scotia report |
| 2021 | Council directs staff to enter into Agreements with housing providers and CMHC to finance/build three (3) Rapid Housing Initiative (RHI) projects |

ATTACHMENT 7

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Table 8: Social Housing Sector | Characteristics and Challenges

| | |
|----------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Subsidy dependency and sub-optimal rent structures | <ul style="list-style-type: none"> • Many properties are highly dependent on ongoing public subsidy in order to be viable. The sponsoring organizations are also highly subsidy dependent. <hr/> <ul style="list-style-type: none"> • The assets are as much as 50 years old and in need of substantial rehabilitation and modernization. Major building systems have reached the end of their useful life and require replacement. And these structures were built to earlier standards and generally lack energy efficiency. <hr/> <ul style="list-style-type: none"> • Expiring federal subsidy agreements now reveal the inherent unsustainability of the traditional social housing model (reflected in advocacy to extend or replace assistance to protect RGI units). <hr/> <ul style="list-style-type: none"> • Subsidies were intended both to enable rent to be set low and to cover debt costs. There is less evidence of any objective to build assets, which could then be used to sustain and expand the sector. In retrospect, the capacity to lever these accumulated assets is constrained by a combination of lack of revenue, culture, capability and regulation. <hr/> <ul style="list-style-type: none"> • They are operated on the basis of creating low rent affordable opportunities and as such collect insufficient rental revenue to operate effectively. Traditional RGI programs are effectively forms of income assistance, they were neither designed to, nor have they, enabled sound real estate asset building and management. <hr/> <ul style="list-style-type: none"> • Governments at all three levels have financed and invested through both capital and operating funding for over 50 years. As loans are retired and linked federal subsidies end, many providers are raising concerns that they cannot continue to operate and provide low rent affordable opportunities to assist low-income households (without renewed subsidies). |
| Uneven fiscal burden | <ul style="list-style-type: none"> • While initially federal financial support was at a much higher share of the total than that of PTs, over time this has shifted. This is related to the requirements of the PTs to absorb all increasing expenses in the portfolios that they now administer – including roughly 205,000 units owned by PT housing corporations, as well as subsidies to third party community providers <hr/> <ul style="list-style-type: none"> • Social Housing Agreements (in all but Quebec and PEI) sustained federal funding for pre 1994 social housing at the 1995/96 budget level, leaving PTs to absorb any subsequent increase in subsidies. <hr/> <ul style="list-style-type: none"> • Analysis for the PT Ministers working group in 2013 determined that by 2025 the aggregate PT expenditure of existing social housing would amount to \$6 for each \$1 of federal spending (reflecting expiring federal commitments). The recent NHS Canada Community Initiative will reinvest federal expiring funds, so this distortion should be reduced. <hr/> <ul style="list-style-type: none"> • The Social Housing Agreements (SHAs) concurrently permitted PTs to retain any savings created through reduced expenditures. With mortgages rolling over at increasing lower interest rates since 1996, this created a windfall subsidy saving that enabled PTs (and municipalities in Ontario) to fund and cost share new initiatives with no or minimal impact on their own treasuries (i.e. they used some of the fixed federal transfer to cover part of their cost for these initiatives). When the federal transfers end this will remove this source of funding and for projects where total subsidy was larger than total mortgage payments this will impose a challenge on PTs (municipalities in Ontario) to sustain current funding as well as fund any new initiatives |
| Absence of a coordinating system | <ul style="list-style-type: none"> • Social housing has evolved incrementally on a project-by-project basis. Typically, when funding was available proposals were solicited and selections were made on a value-for-money (subsidy) basis. And related to this, housing development was project funded (and top down) rather than consumer-client focused. |

| | |
|--------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <ul style="list-style-type: none"> • Unlike the homeless system in which comprehensive community plans are developed as a condition of HPS funding, system planning, and collaboration was not traditionally part of social-affordable housing development (although at the local level many communities have more recently developed comprehensive affordable housing strategies). |
| | <ul style="list-style-type: none"> • Over time existing social housing has become more residualized in its operations – that is by replacing vacating tenants with those in greater need and disadvantage.³² These newer tenants often have a range of support needs beyond the financial capability of the social housing funding framework, and this creates an unfunded mandate and challenge for providers. |
| Social services versus sound business operations | <ul style="list-style-type: none"> • The traditional subsidy models and associated regulatory framework tend to stifle creativity and innovation across providers (e.g. any surplus from operations results in reduction or repayment of excess subsidy, so providers have no incentive to pursue efficiencies). |
| | <ul style="list-style-type: none"> • Frequently the motivation of provider organizations was to help poor households, and as such they tended to operate more on a charitable, social service, basis and not on an asset owner or business basis. |
| | <ul style="list-style-type: none"> • Traditional funding models enabled inexperienced non-housing organizations to incorporate and receive funding to build and operate housing projects. There were minimal requirements for sponsoring organizations to have any accreditation or expertise in owning and managing these assets – many were created and incorporated in order to take advantage of the development funding programs. |
| | <ul style="list-style-type: none"> • Outside of the public sector, many of the properties are owned and operated by small community based voluntary organizations. These small, often single-project-providers lack the capacity to have a payroll and professional staff (beyond part-time property manager/bookkeeper). This means many lack any expertise needed to develop longer term sustainability plans, undertake necessary renewal or access financing mechanisms. |
| | <ul style="list-style-type: none"> • Subsidy models, premised on (very low) rent geared to income models reinforce unsustainable funding, and in collaboration with income assistance benefits (where rents are set at extremely low and unrealistic levels) act as disincentives to work for those tenants on income assistance benefits (by creating very high effective marginal tax rates). |
| | <ul style="list-style-type: none"> • In the absence of professional operating bodies (i.e. accredited or meeting some formal service standard) and with subsidy-dependent operating models there is limited attraction to private capital in helping to renew or expand the social housing supply. Consequently, the sector is mostly unattractive for private sector investment, except in relation to strategic centrally-located sites that can be redeveloped for privately-owned units. |
| Operational culture | <ul style="list-style-type: none"> • Public agencies are often positioned to avoid direct competition with the market and to spend public funds only on those in need. As a result, it is difficult for such agencies to breakout of an unviable model with 100% (or close to) levels of deep RGI targeting. |
| | <ul style="list-style-type: none"> • With constrained rent revenue and constrained subsidy, it becomes an increasing challenge for such public sector providers to be viable and to maintain assets in sound condition. And this situation will be significantly worsened as federal subsidies end (unless replaced). |
| | <ul style="list-style-type: none"> • Much of the community-based non-profit part of the sector is single project small operators. They have a helping ethos, and often make decisions based on helping, even when this undermined financial viability (too many very low rent units). |
| Weak and fragmented regulatory and | <ul style="list-style-type: none"> • Canada's social housing sector evolved on a project-by-project basis. While Public Housing was funded and managed on a portfolio basis under global FPT agreements, the community sector was funded by project-level operating agreements |

³² In Ontario since 201 this has become a statutory obligation, although concentration of vulnerable tenants commenced in the 1970's via points-based prioritization.

governance
framework

• There is no formal regulator and no single (or even provincewide – except now Ontario) set of regulatory standards. Nor is there a formal regulatory review beyond compliance under the terms of operating agreements – mainly as part of a public accountability process rather than as risk management.

• Coops also have board structures, but the resident members themselves sit on the board, so there are concerns about the quality of governance as well as issues of moral hazard (resident members vote on adjustment to their own rent levels).

• A similar conflict of interest can exist in municipal-owned housing, when the municipal shareholder undermines the viability of its own corporation through the process to keep property taxes low.

• Without a regulatory and review process, there is no overall risk management system to identify and remedy projects in financial difficulty – at least not in a pro-active way (typically action is initiated only after a project is deemed to be in financial difficulty).

• As federal operating agreements are expiring, projects that had been funded under one of these agreements become completely unregulated. This may create flexibilities for those providers with capacity and expertise, but for the numerous small organizations that do not have specialized staff, beyond maintenance and bookkeeping, it places the assets at risk.

Source: [Envisioning a Modernized Social and Affordable Housing Sector in Canada](#)



NOVA SCOTIA
FEDERATION OF
MUNICIPALITIES



ACTING PRESIDENT:

Mayor Amanda McDougall
Cape Breton Municipality

June 29, 2021

IMMEDIATE PAST-PRESIDENT:

Mayor Pam Mood
Town of Yarmouth

Hon. Brendan Maguire
Minister of Municipal Affairs
P.O. Box 216

REGIONAL CAUCUS CHAIR:

Councillor Waye Mason
Halifax Regional Municipality

Halifax, NS B3J 2M4

RURAL CAUCUS CHAIR:

Mayor Carolyn Bolivar-Getson
District of Lunenburg

Hon. Geoff MacLellan
Minister of Infrastructure and Housing
P.O. Box 186

TOWN CAUCUS CHAIR:

Mayor Brenda Chisholm-Beaton
Town of Port Hawkesbury

Halifax, NS B3J 2N2

Delivered Via Email

RE: Joint AMA and NSFM response to the Affordable Housing Commission report

Dear Minister Maguire and Minister MacLellan:

Enclosed you will find a joint response from the Nova Scotia Federation of Municipalities (NSFM) and the Association of Municipal Administrators, Nova Scotia (AMANS) to *Charting a new course for affordable housing in Nova Scotia*, the recent report completed by the Nova Scotia Affordable Housing Commission.

The Commission confirmed what local government leaders have known for some time, namely, affordable housing is an issue throughout the province and municipalities do not have the capacity to address it.

Unfortunately, the recommendations in the report place far too much emphasis on ways in which municipalities can forgo limited revenue streams to support an issue that requires significant and sustained investment from other levels of government.

Property tax dollars are already stretched to provide numerous services to residents in our communities. The responsibility for funding long-term housing solutions belongs with senior levels of government and reducing municipal revenue streams to incentivize developers will not move the dial on housing supply. Supporting affordable rental housing is an area of provincial responsibility and cannot be downloaded onto Nova Scotian municipalities. The municipal role in affordable housing is one of

facilitator and steward of the resources provided by the provincial and federal governments.

NSFM and AMANS recognize that without representation on the Commission from our respective organizations, recommendations were offered that would both negatively impact municipalities and fail to meet the objectives of increased affordable rental housing. We know that municipal leaders have many innovative ideas that were not captured in this report and having a seat at the table on a go-forward basis is imperative.

The Commission correctly identified insufficient data as a significant impediment to formulating evidence-based solutions. A provincially led approach to housing needs assessments will ensure the consistency, comprehensiveness, and comparability of data collected across Nova Scotia and will provide insight into the scope of financial commitment needed from the province to properly address this issue. The Commission's report does not define the scope of the affordable housing issue, does not provide an economic analysis of what is essentially an economic issue (i.e., affordability), and provides no fiscal analysis of any of the proposed recommendations. Such analysis will be critical to understanding how all levels of government can optimize various kinds of contributions.

While we have taken care to provide responses to each of the items in the report that implicate municipalities, our top 3 priorities include the following:

1. NSFM and AMANS are represented during the implementation of any recommendations that may impact municipalities,
2. Reducing municipal revenue streams to fund social and affordable housing should be avoided, and
3. Data to inform housing needs assessments should be a provincially led initiative.

We appreciate the efforts of both the Affordable Housing Commission and the provincial government to create more housing opportunities for residents of Nova Scotia and look forward to working together to properly identify and address this need.

Sincerely,

Original Signed

*Amanada MacDougall, Acting President
Nova Scotia Federation of Municipalities*

cc: Deputy Minister Justin Huston
Deputy Minister Eiryn Devereaux
Dr. Ren Thomas

Original Signed

*Mike Dolter, President
Association of Municipal
Administrators, Nova Scotia*

NSFM and AMANS Joint Response to the Affordable Housing Commission Recommendations:

The Nova Scotia Federation of Municipalities (NSFM) and the Association of Municipal Administrators (AMA) would like to thank the Affordable Housing Commission for their efforts to promote affordable rental housing options across Nova Scotia. Housing is an important issue for Nova Scotians, and a priority amongst the local elected officials who represent them. While our organizations recognize all levels of government play a role in this issue, the Commission clearly and correctly heard an appeal from municipalities that they “do not currently have the capacity or resources to make housing a core purpose, nor do they want the provincial government to delegate its responsibilities on to them.”

This report acknowledges that “municipalities are the closest to the need of affordable housing.” Elected officials are involved in the challenges of affordable rental housing and can provide insight received from residents and other stakeholders. Therefore, it’s regrettable that NSFM, as the official representation of municipally elected officials, was not extended an invitation to contribute as a member of the Commission. NSFM made several appeals to correct this oversight, however, were ultimately denied the opportunity. This exclusion is reflected in some of the assumptions and omissions pertaining to the role of municipalities in the Commission’s report.

We consulted with municipally elected and appointed official across the province to prepare a response to the Commission’s report. In addition to responding to recommendations that specifically address the role of municipalities, we would like to provide 3 statements on behalf of our members:

1. Elected officials require a seat at the table for ongoing housing recommendations

Should the province choose to implement recommendations in the report, we do not support keeping the current Commission as an advisory committee during this process. Housing is a priority issue for both elected and appointed municipal officials. The importance of partnering with local government has been highlighted. Both NSFM and AMA should be represented on any board or committee relating to the review or implementation of recommendations made in the report.

2. Municipalities require more data on specific housing needs.

The Commission advises its report is “not about specific funding levels or quantitative goals and targets.” It indicates those types of recommendations require additional data regarding the housing needs in various regions, both urban and rural, across the province. Governments at all levels cannot properly engage in this issue without data relating to housing need, and without funding agreements tied to those assessments. Recommendations cannot be seriously considered without an analysis of

the financial impact they will have on municipalities. A starting point for establishing a baseline of housing need, and its corresponding financial impact, would be a province-wide housing needs assessment.

Data must be comparable across Nova Scotia for a whole-of-province understanding of housing need. A province-wide housing needs assessment will ensure consistency of data across all municipalities while piecemeal assessments by individual municipalities will result in data gaps and data that is not comparable.

Some municipalities have completed housing needs assessments in recent years but without provincial and federal investment to address those needs, that data cannot be operationalized. A province-wide approach to housing assessments, with funding connected to needs, best serves the diverse communities of Nova Scotia.

3. Property taxes cannot support affordable housing initiatives

Municipalities already contribute to affordable rentals by cost-sharing the expenses associated with social housing. In addition, all municipalities also provide annual low-income property tax rebates. As other jurisdictions in Canada have demonstrated, the only way to address gaps in housing need for low-to-moderate income residents is through sustained federal and provincial investment. Both supply and affordability are currently impacting housing availability and local government cannot be the primary partner in alleviating those issues. However, if equipped with adequate funding, examining supply and affordability from a regional perspective may assist in an inter-municipal, collaborative approach to housing need.

Physical and social infrastructure associated with affordable housing requires services provided by municipalities. Requesting that this cost be absorbed by the property tax collected from neighbouring residents is not sustainable or equitable. Most Nova Scotian municipalities do not have the financial capacity to incentivize developers through property tax waivers. This option will not move the dial on supply in Nova Scotia. If property tax exemptions are one tool the province chooses to address housing need, municipalities would require a provincial grant-in-lieu to maintain services.

The remainder of this response addresses those recommendations from the report that specifically relate to the municipal role in affordable rental housing.

Recommendation: Modernize provincial legislation and regulation:

“A new legislative framework could allow municipalities to allocate funds for private sector development, generate new revenues, create or protect affordable homes, and adopt more inclusionary and efficient zoning.”

Response:

- NSFAM and AMA welcome the Commission’s recommendation that, prior to proceeding with legislative amendments, our organizations should be consulted. It

is imperative that an economic analysis of the financial impacts to municipalities be completed prior to any legislative changes.

- Legislation that enables municipalities to provide more flexible zoning is welcomed by some of our members. However, concerns expressed include units in buildings remaining affordable for the lifecycle of the building and avoiding a ‘race to the bottom’ by municipalities competing for development.
- While providing short-term incentives, such as property tax deferrals, can be a useful tool for incentivizing affordable housing development, this will not assist municipalities who lack financial capacity to offset costs for developers.
- Members have expressed concern that long-term property tax waivers are not sustainable throughout the lifecycle of housing infrastructure. Buildings require services and new residents require access to both physical and social infrastructure – all which is funded through the collection of property tax.
- The province should provide a tax exemption category to incentivize affordable housing development and provide municipalities with a grant-in-lieu of property tax.

Recommendation: Empower municipalities to become key partners in affordable housing.

“Recognize municipalities as a key partner in affordable housing. By amending the Municipal Government Act and HRM Charter, the Province can grant local governments the authority they need— to eliminate or minimize municipal taxes, fees, or charges for affordable housing developments, including partnering with the private sector, if they so choose.”

Response:

- The Halifax Regional Municipality Charter may be amended independent of the Municipal Government Act to reflect the unique position of Nova Scotia’s only Census Metropolitan Area.
- Municipalities require significant and sustained financial investment from the province. This could include reallocating funds collected via property tax for corrections and other areas of provincial jurisdiction toward affordable housing.
- Social and affordable housing is typically connected to services found in urban centres. However, additional data is required to understand the impacts of affordable housing development on services in both urban and non-urban areas.
- Prior to any legislative changes that may financially impact municipalities, provincially coordinated housing needs assessments should be completed to determine how municipalities can best facilitate affordable housing options in their communities.
- Municipalities can assist with the analysis and local implementation of completed assessments, if provided with the resources to do so.

- We heard from members that housing needs assessments have already taken place in some communities. The information alone does not provide a useful solution to the rental housing crisis. Municipalities require a commitment from both the provincial and federal government to provide sustained financial support for implementation.

Recommendation: Reduce costs for new affordable housing.

“Municipalities and the province own vacant or under-utilized land and buildings that could be transformed into new affordable rental housing. Authorize municipalities to waive, reduce, or defer the payment of certain construction-related fees on new construction or preservation of market and non-market rental housing, if they so choose.”

Response:

- Our members would be willing to partner with the provincial government on the provision of vacant or under-utilized land and buildings toward increased affordable housing inventory. However, long-term operating costs would have to be funded by the province or housing provider.
- Waiving certain fees for the construction of affordable rental housing is already in practice in some municipalities. This intervention will not move the dial on supply in Nova Scotia.
- NSFM and AMA support the Commission’s recommendation to create incentives for non-urban and rural municipalities to improve and expand local infrastructure and services required to attract investment in housing development. Some urban centers already have a critical mass of social housing. Providing non-urban and rural municipalities with adequate funding to service land designated for housing development will assist those communities and diversify inventory for current and future residents.

Recommendation: Reduce regulatory and non-cost barriers of new development.

“Complete a comprehensive review of municipal development processes to streamline applications and requirements as quickly as possible. Provide guidance and resources to municipal units on how to modernize existing development regulations.”

Response:

- Municipalities are interested in process improvements that come from reducing bureaucratic ‘red tape’ in several areas, including development processes. The Regulatory Affairs office could assist municipalities on a regional basis to identify areas for streamlining the development process.

Recommendation: Prevent the loss of affordable homes.

“Work with municipalities to create incentives for developers to retrofit existing units and make them affordable. This could include a property tax reduction to create or preserve affordable units.”

Response:

- Property tax waivers are not a progressive, sustainable solution to affordable rental-housing supply. Buildings require services and new residents require access to both physical and social infrastructure – all of which is funded through the collection of property tax.
- The province should increase investment and uptake in programs such as the Rental Residential Rehabilitation Assistance Program (RRAP) and the Canada-Nova Scotia Targeted Housing Benefit (CNSTHB) to preserve current affordable housing stock and assist low-income individuals in accessing both affordable and market rate housing.
- NSFAM and AMA support the Commission’s recommendation that the province build on consultation undertaken in 2019 to address concerns related to conversion of rental stock into short-term rentals.

Recommendation: Expand housing options that meet the needs of seniors and vulnerable Nova Scotians.

“Ensure that no law, bylaw, covenant, or agreement prevents or prohibits the development of rooming houses, tiny homes, secondary suites, backyard suites, laneway houses, and other low-cost housing models.”

Response:

- Zoning issues related to the construction of secondary suites, rooming houses, tiny homes, backyard suites, laneway houses, and other low-cost housing models should remain the jurisdiction of municipal planning.
- Municipalities with a high concentration of post-secondary students could see unintended consequences from provincially enforced zoning.
- We heard from members that not all R1 zoned areas are appropriate for alternative accommodations.