

Nova Scotia Affordable Housing Commission Progress Report

JANUARY 2022

In May 2021, the Nova Scotia Affordable Housing Commission released **Charting a New Course for Affordable Housing in Nova Scotia**. Our report contains 17 recommendations to government and 60 key actions to improve supply of and increase access to affordable housing. For each recommendation, we proposed an implementation timeline. We also recommended four ‘short-term’ Quick Starts investments to be initiated immediately and completed within one year. We pledged to reconvene in six and twelve months to take stock of government’s progress and report our findings to the public.

At the six-month point, the Commission is pleased that government has committed in the Minister of Municipal Affairs and Housing’s mandate letter to work with the Commission to implement the recommendations. We are encouraged by several initiatives announced in recent weeks to address housing supply challenges. In particular, we note the introduction of legislative changes to improve renter protections and give municipalities more power to support affordable housing within their community.

The Commission has concerns about the impact of extending the cap on rental rate increases on affordable housing supply. It emphasizes the importance of this being a temporary measure that will be discontinued once the immediate housing crisis has eased. We look forward to seeing progress in the coming months on the foundational recommendations, such as the governance review of Housing Nova Scotia and the development of a long-term provincial housing strategy.

Since we released our report in May 2021, housing has become a polarizing issue in Nova Scotia, one that received special attention from all political parties during the 2021 provincial election. A successful response to the challenge our province is experiencing requires a whole-of-government approach and the cooperation of all partners and stakeholders. Overall, what we have observed over the last six months is positive and we feel government is on the right path to implement the Commission’s recommendations.

An update on each Commission recommendation, Quick Start Investment, and associated action is provided below. For more information, visit the Commission’s website at nsaffordablehousingcommission.ca





Dr. Ren Thomas and Dr. Paul LaFleche
Commission Co-Chairs, January 2022

Recommendations

1. Establish an arm’s length independent provincial housing entity
2. Recognize housing as a right and a key strategic sector for economic development, health, and social equity
3. Modernize provincial legislation and regulations
4. Develop a long-term provincial housing strategy
5. Empower municipalities to become key partners in affordable housing
6. Support the creation of more affordable housing, prioritizing a mixed-income, multi-partner approach
7. Reduce costs for new affordable housing
8. Reduce regulatory and non-cost barriers of new development
9. Prevent the loss of affordable homes
10. Build community housing capacity
11. Transform our public housing model
12. Expand housing options that meet the needs of seniors and vulnerable Nova Scotians
13. Provide targeted resources and supports to vulnerable and underrepresented communities
14. Enhance renter protections, equitable access, and better-functioning conditions for rental housing
15. Address the specific needs of rural and non-urban communities
16. Improve access to rental housing data
17. Support innovation and promote cross-sectoral partnerships


Recommendation/Action	Timeframe	Status	Progress Update
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Quick Start Investments
 The Commission recommended the Province make a one-time commitment of \$25M to initiate four Quick Start Investments within 100 days of submission of its report







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; and double current investments in the provincial Affordable Housing Program.	Quick Start initiate within 100 days		\$35M investment announced by government in October 2021, to create 714 new affordable housing units across the province and make 425 new rent supplements available immediately.
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.	Quick Start initiate within 100 days		Government, in consultation with the Nova Scotia Federation of Municipalities, is conducting a housing need assessment of all municipalities. Government commitment of \$500K in July 2021.
Create a Community Housing Growth Fund (CHGF) co-created with sector organizations.	Quick Start initiate within 100 days		CHGF Steering Committee has been established and program guidelines are in development. Government commitment of \$2.5M in July 2021.
Invest \$2M to modernize provincially-owned stock, including improvements to overall condition levels, energy efficiency projects to reduce operating costs, decrease greenhouse gases, and create jobs across the province.	Quick Start initiate within 100 days		Government will invest \$26M to complete more than 500 projects including repairs, maintenance, greening upgrades and improved accessibility across the province. Government commitment to investing \$2M in additional public housing repair and renewal in July 2021.



Progress Made by Government Implementing 17 Recommendations and Key Actions

1 Establish an arm's length independent provincial housing entity

Establish a new independent provincial housing entity.	Short-term 2021/22		Pending completion of broader government review of crown corporations.
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Recommendation/Action	Timeframe	Status	Progress Update
2 Recognize housing as a right and a key strategic sector for economic development, health, and social equity			
Consult with stakeholders to better understand how government can design and implement effective human rights-based housing strategies.	Short-term 2021/22		As part of development of a long-term provincial housing strategy, government will engage with stakeholders to better understand the implications of recognizing housing as a human right.
Recognize housing is a right, a driver of inclusive economic growth, and a core component of health, well-being, and social equity.	Short-term 2021/22		
3 Modernize provincial legislation and regulations			
<p>Review and amend relevant provincial legislation and regulations necessary to implement Commission recommendations.</p> <p>Address the unintended consequences of provincial laws and regulations which limit the ability of municipalities to partner with private sector to offer a wider range of incentives, as in other provinces.</p> <p>Ensure sufficient renter protections against evictions due to renovation (“renoviction”) are reflected in provincial legislation, by strengthening the <i>Residential Tenancies Act</i>.</p>	Short-term 2021/22		<p>Government amended the <i>Residential Tenancies Act</i>.</p> <p>Amendments were made to the <i>Municipal Government Act</i> (MGA) and HRM Charter in November 2021 to allow municipalities to use inclusionary zoning and provide incentives for private sector developers to increase affordable housing supply.</p> <p>These initiatives are part of a suite of actions designed to modernize and improve the <i>Residential Tenancies Act</i> and advance the Commission’s recommendations related to enhancing renter protections against evictions due to renovations.</p> <p>Additional items will be identified via consultation and MGA review.</p>
4 Develop a long-term provincial housing strategy			
<p>Mandate the new housing entity to develop a long-term provincial housing strategy for affordable housing.</p> <p>Engage the private sector, community housing partners, and key stakeholders in strategy development, and identification of targets and outcomes.</p>	Mid-term 2022/23 to 2024/25		<p>Government released its housing plan in October 2021, which outlines actions to make housing more available and protect existing affordable housing. The initial \$35M investment will create 714 new affordable housing units in our province, along with 425 rent supplements.</p> <p>Government is committed to completing a long-term provincial housing strategy by Fall 2022.</p>
Recognize specific housing needs and address historic and systemic barriers faced by people of African descent and Indigenous communities to accessing affordable housing.	Mid-term 2022/23 to 2024/25		Government is working with Indigenous communities and African Nova Scotian leaders to develop strategies to improve access to affordable housing.



Recommendation/Action	Timeframe	Status	Progress Update
5 Empower municipalities to become key partners in affordable housing			
<p>Recognize municipalities as key partners in affordable housing.</p> <p>Allow municipalities to use inclusionary zoning in private development in lieu of bonus zoning charges, with appropriate incentives to avoid additional development costs.</p> <p>Ensure municipalities have adequate support and resources to complete housing needs assessments.</p>	Short-term 2021/22		<p>Government amended the <i>Municipal Government Act</i> (MGA) and HRM Charter to; enable municipalities to provide financial assistance to a business if the financial assistance is for the purpose of increasing the availability of affordable housing; allow municipalities to require and regulate affordable housing within developments through land-use by-laws; and permit municipal councils to accept money in lieu of affordable housing provision.</p> <p>Government is continuing to consult with municipalities as part of a review of the MGA and HRM Charter.</p> <p>Government is working with the Nova Scotia Federation of Municipalities to complete a housing needs assessment for all municipalities.</p>
6 Support the creation of more affordable housing, prioritizing a mixed-income, multi-partner approach			
<p>Immediate investment in multi-partner, mixed-income demonstration projects featuring innovative construction techniques.</p>	Short-term 2021/22		<p>Affordable Housing Demonstration Projects Initiative (AHDPI) launched Aug 2021. \$25.5M committed.</p>
<p>Work with non-profit and private sectors on affordable housing 'pipeline' projects that can be initiated within 12 months.</p>	Short-term 2021/22		<p>Increased investments in the Affordable Housing Program in 2021 to support increased supply of affordable housing.</p>
<p>Enhance provincial incentives to increase supply of new affordable rental housing through new construction or conversion of non-residential buildings.</p>	Short-term 2021/22		<p>Government will invest more than \$35M to support over 1,100 new affordable housing units across the province. Part of this funding will support proponents to create new affordable units under the federal Rapid Housing Initiative.</p>
<p>Targeted funding to support proponents under Rapid Housing Initiative (RHI).</p>	Short-term 2021/22		<p>Government will invest more than \$35M to support over 1,100 new affordable housing units across the province. Part of this funding will support proponents to create new affordable units under the federal Rapid Housing Initiative.</p>
<p>Double current investments in provincial Affordable Housing Program (AHP).</p>	Short-term 2021/22		<p>Government increased funding available under the Affordable Housing Program (AHP), and committed \$4.6M to create 96 units in 2021/22.</p>

Recommendation/Action	Timeframe	Status	Progress Update
Create new rent supplements to support affordable housing projects receiving government capital contributions, for a deeper level of affordability for people living on very low-income.	Short-term 2021/22		425 additional rent supplements announced in October 2021 as part of the short-term housing plan.
Leverage public assets through divestiture to community housing providers or Community Land Trusts (CLTs).	Short-term 2021/22		Government is creating a list of provincially-owned land that can be used for housing and brought to market via Partnership Opportunity Notices.

7 Reduce costs for new affordable housing




Create a program to identify and incentivize development of vacant/under-used public land suitable for residential use, or buildings for affordable housing.	Mid-term 2022/23 to 2024/25		Government is developing a database of provincially-owned land that is suitable for development of residential housing supply.
Explore benefits of transferring public lands to support creation of Community Land Trusts (CLTs).	Mid-term 2022/23 to 2024/25		Government is working with its partners in the community housing sector to explore creation of CLTs. Funding to create a new CLT in the African Nova Scotian community of Hammonds Plains was announced in November 2021.
Permit municipalities to waive, reduce, or defer payment of certain construction-related fees on new construction or preservation of market and non-market rental housing.	Mid-term 2022/23 to 2024/25		Government amended the <i>Municipal Government Act</i> (MGA) and HRM Charter to; enable municipalities to provide financial assistance to a business if the financial assistance is for the purpose of increasing the availability of affordable housing; allow municipalities to require and regulate affordable housing within developments through land-use by-laws; and permit municipal councils to accept money in lieu of affordable housing provision. Government will consult with municipalities as part of a review of the MGA and HRM Charter.
Offer provincial HST rebate on affordable housing new construction. Develop an affordable rental housing construction tax credit in exchange for minimum number of affordable units for a specific period.	Mid-term 2022/23 to 2024/25		Options development is underway.

 Initiated  Committed/Underway  To Be Initiated  Alternative Action Taken







Recommendation/Action	Timeframe	Status	Progress Update
Provide incentives for allocation of additional density to create more affordable housing in urban areas with high growth and demand.	Mid-term 2022/23 to 2024/25		Government amended the <i>Municipal Government Act</i> (MGA) and HRM Charter that: enables municipalities to provide financial assistance to a business if the financial assistance is for the purpose of increasing the availability of affordable housing; allows municipalities to require and regulate affordable housing within developments through land-use by-laws; and allows municipal councils to accept money in lieu of affordable housing provision.
Work with Property Valuation Services Corporation to create a new assessment classification for affordable housing.	Mid-term 2022/23 to 2024/25		Consultation and analysis of financial impacts will be completed in the coming months.









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Reduce regulatory and non-cost barriers of new development





Initiate review of impact of existing regulations on the development process and identify innovative ideas/solutions for regulatory and service reforms.	Mid-term 2022/23 to 2024/25		<p>Government established a new Task Force in October 2021 to quickly increase housing supply in HRM.</p> <p>Government will consult with municipalities as part of a review of the MGA and HRM Charter.</p> <p>Office of Regulatory Affairs is reviewing all regulations that cause barriers or increase costs of affordable housing.</p>
Work with the NS Apprenticeship Agency and Department of Labour, Skills and Immigration to address the shortage in skilled trades required for residential construction.	Mid-term 2022/23 to 2024/25		<p>In October 2021, government announced that it will work to recruit and retain more apprentices and review the apprentice training ratio to create more opportunities and ease skilled labour shortages.</p> <p>In addition, government announced elimination of income tax on the first \$50K of yearly income for construction trade workers under 30 years of age.</p>
Attract, hire, and train more women, Indigenous people, people of African descent, and individuals from other marginalized groups into trades with a supply shortage.	Mid-term 2022/23 to 2024/25		Work underway in collaboration with Department of Labour, Skills and Immigration.









 Initiated  Committed/Underway  To Be Initiated  Alternative Action Taken


Recommendation/Action	Timeframe	Status	Progress Update
9 Prevent the loss of affordable homes			
Increase provincial funding for repair and renewal of existing affordable market and non-market rental housing.	Mid-term 2022/23 to 2024/25		Options analysis is underway for enhancements to existing programming.
Work with municipalities to create incentives for developers to retrofit existing units and make them affordable.	Mid-term 2022/23 to 2024/25		In October 2021, government made amendments to the MGA and HRM Charter enabling municipalities to provide financial assistance to private sector developers for the purpose of increasing affordable housing.
Create a provincial loan program to help non-profit housing providers finance acquisition of low-end of market rental properties at-risk of being converted to high-end development.	Mid-term 2022/23 to 2024/25		Assessing options for new program design. Anticipated program launch Winter 2022.
Collaborate with municipalities to ensure units at or below average market rent in buildings being redeveloped are preserved in the new development along with new density.	Mid-term 2022/23 to 2024/25		Government will work with municipalities to support and expand preservation of affordable housing.
10 Build community housing capacity			
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.	Mid-term 2022/23 to 2024/25		<p>\$2.5M committed to create a Community Housing Growth Fund.</p> <p>Government also continues to support the work of the Build Together project, which will inform the development of program guidelines and ensure funding is strategically allocated to support growth of the sector.</p> <p>Work is underway with the Nova Scotia Federation of Municipalities to conduct housing need assessments for all municipalities.</p>
11 Transform our public housing model			
<p>Review the public housing operating model.</p> <p>Continue work underway to develop an asset management plan and identify opportunities for redevelopment in partnership with the community housing sector.</p>	Mid-term 2022/23 to 2024/25		Opportunities to advance public housing transformation activities, including asset transfer processes, continue to be explored.

Recommendation/Action	Timeframe	Status	Progress Update
12 Expand housing options that meet the needs of seniors and vulnerable Nova Scotians			
Increase rent supplements to help low-income households access market rental units in high-cost areas.	Mid-term 2022/23 to 2024/25		Government announced an additional 425 rent supplements in October 2021.
Create a dedicated budget for construction of new rooming houses, and for repair of existing ones.	Mid-term 2022/23 to 2024/25		Options for a new Rooming House Program have been developed and are under review.
Incentivize companion housing arrangements between seniors and younger people, particularly in rural areas.	Mid-term 2022/23 to 2024/25		Government is developing options to further support seniors to remain in their homes. Consultation on companion housing arrangements will be part of this process.
Work with stakeholders to support development of a voluntary online rental housing registry operated by landlords, to attract and connect prospective tenants seeking affordable housing.	Mid-term 2022/23 to 2024/25		Options are being assessed regarding development of a voluntary online database.
Adopt a multi-disciplinary supportive housing approach to help keep people housed long-term and participate in the community in a meaningful way, both socially and economically.	Mid-term 2022/23 to 2024/25		In October 2021, government announced \$10.1M investment (over 2 years) to provide wrap-around supports, shelter and culturally relevant housing across Nova Scotia.
13 Provide targeted resources and supports to vulnerable and underrepresented communities			
Target investments through dedicated program streams to preserve and expand affordable, energy-efficient, and accessible housing options for underrepresented communities.	Mid-term 2022/23 to 2024/25		Work is underway to enhance existing programs.
Fund culturally responsive initiatives to build capacity within communities to leverage available funding to preserve and build more affordable housing that meets their needs.	Mid-term 2022/23 to 2024/25		Government is engaging with African Nova Scotian and off-reserve Indigenous communities to better meet their housing needs and to support specific initiatives.
Partner with underrepresented communities to set targets and outcomes (Rec# 4) for removal of systemic barriers to affordable rental housing and homeownership.	Mid-term 2022/23 to 2024/25		Government is working with CMHC and the African Nova Scotian community to complete a housing needs assessment and develop a housing strategy that addresses systemic barriers.

 *Initiated*  *Committed/Underway*  *To Be Initiated*  *Alternative Action Taken*

Recommendation/Action	Timeframe	Status	Progress Update
14 Enhance renter protections, equitable access, and better-functioning conditions for rental housing			
<p>Maintain current temporary measures under <i>Emergency Management Act</i> until February 1, 2022, or until Provincial State of Emergency is lifted, whichever comes first. Discontinue these measures once time limit is reached.</p>	<p>Mid-term 2022/23 to 2024/25</p>		<p>Government enacted legislation in November 2021 to extend the existing 2% rent cap on rental rate increases. This will take effect on February 1, 2022 or when the State of Emergency is lifted (whichever comes first), and will end on December 31, 2023.</p> <p>The Commission is concerned about the impact that the cap on rental rate increases will have on access to and supply of affordable housing and emphasizes the importance of this being a temporary measure that will be discontinued once the immediate housing crisis has eased.</p>
<p>Review <i>Residential Tenancies Act</i> for opportunities to improve renter protections and strengthen landlord-tenant relations. Look for options to minimize impact of tenant evictions due to renovation and improve overall efficiency of the application process and program administration.</p>	<p>Mid-term 2022/23 to 2024/25</p>		<p>Government amended legislation to increase renter protections under the <i>Residential Tenancies Act</i>, including compensating tenants impacted by renovation evictions.</p>
<p>Collaborate with municipalities, tenants, landlords, and other stakeholders, explore opportunities for eviction prevention, provide temporary assistance to low-income households facing evictions due to planned renovations, improve access to legal aid services, and develop retention plans to prevent loss of long-term renters at risk of being priced out of their neighbourhood.</p>	<p>Mid-term 2022/23 to 2024/25</p>		
<p>Work with other government bodies, such as the Human Rights Commission, to address discrimination related concerns, especially during renter application processes.</p>	<p>Mid-term 2022/23 to 2024/25</p>		<p>Government will work across departments and with affected stakeholders to identify and address discrimination related concerns and develop strategies to improve equity.</p>

Recommendation/Action	Timeframe	Status	Progress Update
15 Address the specific needs of rural and non-urban communities			
Work with stakeholders to address concerns about conversion of rental stock into short-term rentals.	Long-term 2024/25 to 2025/26		Government will consult with stakeholders during fall and winter 2021/22, with the goal of introducing legislation in the spring of 2022.
Provide financial incentives to non-urban and rural municipalities to develop regional housing strategies. Create Regional Housing Networks to lead and implement housing plans.	Long-term 2024/25 to 2025/26		Government is supporting the work of the Build Together project, which is developing options to better support the community housing sector through a new provincial body and regional housing hubs.
Work with industry, the community housing sector, and municipalities to modernize provincial programs and ensure funding/ requirements are responsive to the dynamics of the rural housing market.	Long-term 2024/25 to 2025/26		Work is underway to review and modernize provincial programs to ensure they are responsive to the dynamics of the current housing market.
Target funding for new development and preservation of affordable rental units to non-urban and rural areas with demonstrated housing need.	Long-term 2024/25 to 2025/26		New and enhanced programs will build on work underway in HRM and other municipalities and provide targeted supports to the community housing sector.
Create education and awareness campaigns to reduce opposition to affordable housing.	Long-term 2024/25 to 2025/26		Government will work with municipalities to increase public awareness and help developers and municipal councils overcome and address negative perceptions about affordable housing developments.
16 Improve access to rental housing data			
Create an online provincial housing data portal.	Mid-term 2022/23 to 2024/25		
Develop a rental housing database.	Mid-term 2022/23 to 2024/25		Government acknowledges the importance of housing data and is developing options for data collection and information sharing.
Work with other levels of government, the private sector, and non-profits to develop shared understanding, methodologies, and data on dimensions of housing need.	Mid-term 2022/23 to 2024/25		

Recommendation/Action	Timeframe	Status	Progress Update
17 Support innovation and promote cross-sectoral partnerships			
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.	Long-term 2024/25 to 2025/26		Government will develop options for collaboration with provincial research institutions and key partners to identify new and innovative approaches to increasing supply of and access to affordable housing.