



# Accountability Report 2022–23

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Municipal Affairs & Housing



## Table of Contents

<b>Accountability Statement</b> .....	3
<b>Measuring Performance</b> .....	4
Introduction .....	4
Priority Areas.....	4
<b>Financial Summary and Variance Explanation</b> .....	11
<b><i>Public Interest Disclosure of Wrongdoing Act</i></b> .....	12

## Accountability Statement

The Accountability Report of the Department of Municipal Affairs and Housing for the year ended March 31, 2023, is prepared pursuant to the *Finance Act* and government policies and guidelines. The reporting of the Department of Municipal Affairs and Housing outcomes necessarily include estimates, judgments, and opinions by the Department of Municipal Affairs and Housing management.

We acknowledge that this Accountability Report is the responsibility of the Department of Municipal Affairs and Housing management. The report is, to the extent possible, a complete and accurate representation of outcomes relative to the goals and priorities set out in the Department of Municipal Affairs and Housing 2022-23 Business Plan.

“Original signed by”

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Hon. John Lohr  
Minister

“Original signed by”

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Paul LaFleche  
Deputy Minister

# Measuring Performance

## Introduction

The Department of Municipal Affairs and Housing (DMAH) promotes responsible local government and supports safe, sustainable, and inclusive communities. To effectively contribute to strong and diverse economies, high quality of life, and affordable, adequate, and suitable housing for all, our department depends on the strength of our partnerships with stakeholders –from municipal units and the Government of Canada to community agencies and businesses.

In 2022-23, our priority areas were informed by our Ministerial Mandate items and department priorities to ensure affordable, adequate, and suitable housing and protect and support our communities. This report highlights results and progress in meeting the priorities outlined in the department's 2022-23 business plan.

On December 1, 2022, through the *Housing Services and Supply Act*, the Nova Scotia Provincial Housing Agency (NSPHA) was established as a Crown Corporation. The agency is responsible for the administration, management, and maintenance of public housing across the province, all non-public housing programs and functions were transferred from Housing Nova Scotia to DMAH. This report covers Housing Nova Scotia's priorities under the 2022-23 Business Plan up to December 1<sup>st</sup>, 2022. Please refer to NSPHA Accountability Report for public housing updates after this date.

## Priority Areas

### Ensuring affordable, adequate, and suitable housing

Housing is a top priority for government. The housing sector contributes to broader government goals related to health and wellness, economic development and social inclusion. The Department is making significant investments to increase housing supply and preserve existing affordable housing, while advancing innovative solutions like delivering modular housing solutions and making provincial land available for housing development through the Land for Housing program.

#### *Implement Housing Commission Recommendations:*

The Housing Commission's [first progress report](#) was released in January 2022 and the [second and final progress report](#) was released in August 2022. Mid and long-term actions that have not yet been addressed will be the focus of the forthcoming multi-year

Housing Strategy, which will drive a clear plan to address housing supply and affordability<sup>1</sup>.

Highlights of **short-term recommendations** advanced in 2022-23:

- The NSPHA, established December 1, 2022, replaced five regional housing authorities. The new Crown Corporation is responsible for the oversight and operations of public housing in Nova Scotia.

Highlights of **mid-term recommendations** advanced in 2022-23:

- Increased funding for co-operative housing groups and non-profit housing providers to complete necessary capital repairs through the Community Housing Infrastructure and Repair Program. \$20.5M was invested in 2022-23 including \$7.5M in forgivable loans to the Housing Trust of Nova Scotia to upgrade 150 units in HRM.
- In July 2022, the New Community Housing Acquisition Program was launched for community housing providers to support the purchase of existing rental units. Over \$13M was invested to preserve 387 affordable units, 46 of which are targeted toward vulnerable high-acuity tenants.
  - In December 2022, more than \$3M was announced to support the North End Community Health Centre to preserve two affordable housing properties for up to 32 Nova Scotians in need of supportive housing.
- \$4M to support energy efficiency improvements for more than 200 public housing units in Cape Breton Regional Municipality.
- The Department is working in partnership with the Office of African Nova Scotian Affairs and the Preston Area Housing Fund to formalize a new collaborative relationship through a Memorandum of Understanding.
- \$2M for modular housing to support people who may be experiencing homelessness or at risk of being homeless.

#### *National Housing Strategy (NHS):*

The Department met or exceeded the targets and outcomes set in the first Action Plan (2019-22). Through programs and initiatives funded jointly by the provincial and federal governments to advance shared outcomes under the NHS, we assisted over 13,000 households.

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<sup>1</sup> DMAH will report publicly on progress towards the targets and outcomes set out in the Strategy.

The one-year Action Plan for 2022-23 outlines initiatives advanced to invest \$55M (in federal and provincial funding) to reduce housing need for about 900 additional households. An updated 3-year Action Plan covering 2022-25 will be published in 2023.

#### *Land to support housing stock and housing supply:*

A **provincial inventory** has been compiled through collaboration with Department of Public Works, NS Lands and GeoNova. There are 60,000± parcels in the inventory.

On May 31<sup>st</sup>, 2022, the **Land for Housing Program** launched, with the first group of Property Opportunity Notices (PONs) released (“Phase 1”).

- 25 PONs were released, with 20 proposals received.
- Successful proponents to date have been non-profit organizations, in partnership with private developers.

In Spring 2022-23, DMAH launched a provincewide **Housing Needs Assessment** study. A comprehensive engagement was completed, including a public survey with over 20,000 responses and 99 engagement sessions with municipalities, post-secondary institutions and student representatives, marginalized/under-represented communities, and other stakeholder groups. Economic analysis was completed to assess the current and projected housing demand for each municipality. Final reports will be released in 2023-24.

#### *Improvements to the Down Payment Assistance Program (DPAP):*

In 2022-23, changes were made to better reflect market conditions and expand the DPAP to a wider range of clients. These included expanding eligible house value, removing the sliding scale to provide 5% down payment to all applicants, and expanding eligibility by adopting CMHC’s definition of first-time homebuyer and increasing household income eligibility to \$145 000 (from \$75,000).

Overall, we assisted 187 households to become first-time home buyers investing \$2.48M. This is a significant increase over 2021-22.

#### *Modular Housing Options for Healthcare Workers:*

In 2022-23, the Department invested \$43.4M to fund 17 projects creating and/or preserving 335 units (of which 245 will be affordable). This includes \$22M for new modular for health care professionals, skilled tradespeople, and people experiencing homelessness.

## Supporting and protecting our communities

### *Modernizing our frameworks with municipalities:*

**Renegotiation of MOU:** Since March 2022, the Province worked collaboratively with an Advisory Group from the Nova Scotia Federation of Municipalities (NSFM) with representation from the Association of Municipal Administrators of Nova Scotia (AMANS). A new agreement will modernize the financial arrangements between the Province and municipalities and lay a strong foundation for continued growth.

### **Municipal Government Act (MGA) & Halifax Regional Municipality (HRM) Charter**

**Review:** In October 2022, amendments were passed to the MGA and the HRM Charter to create a provincewide approach for municipalities to charge a marketing levy on the purchase price of hotel rooms and other accommodations.

In late 2022, the Department consulted with municipalities and the NSFM via survey on topics related to planning and development, electronic public notice, and selling property below market value. Consultation will be ongoing throughout the multi-year review process.

**Code of Conduct Framework:** The Code of Conduct Working Group, with representation from the NSFM and AMANS, concluded consultation on recommendations related to sanctions and the investigation of complaints process. It is expected all work on the Code of Conduct will be completed by late 2023.

**Nova Scotia Asset Management Program:** Within the department, a dedicated resource was created and appointed responsible for managing the Nova Scotia Asset Management Program. This program provides standardized tools and resources to help municipalities make informed, evidence-based decisions to manage municipal assets.

### *Funding to our communities:*

In 2022-23, the Department delivered multiple high-value **capital funding programs** to municipalities and third-party entities. These include:

- Successful delivery of approximately \$58M in Canada Community-Building Fund (CCBF) funding to NS municipalities as well as administration of the program (program audit and required reporting to the federal government). This funding will be used to help with municipal infrastructure and capacity-building priorities.

- Project administration and application intake under the Investing in Canada Infrastructure Program for over 100 projects with total value of approximately \$724M. Funding used for municipal infrastructure projects administered by DMAH includes the following categories:
  - o Public Transit (e.g., electric buses)
  - o Green Infrastructure (e.g., environmental quality projects such as drinking water and wastewater, and climate change mitigation, adaptation, and resiliency projects such as active transportation and energy efficiency projects)
  - o Community, Culture and Recreation (e.g., recreation facilities and other social infrastructure projects)
- Ongoing administration of the final 3 projects under the New Building Canada Fund as that program winds down. This program supports infrastructure projects of national, regional and local significance that promote job creation, economic growth, and productivity.

DMAH delivered several **provincially funded programs**:

- Emergency Services Provider Fund - The Province invested more than \$1M to help 56 first responder organizations purchase safety equipment.
- Provincial Capital Assistance Program – Fifteen communities received \$1.2M for water, wastewater, stormwater, and solid waste projects across Nova Scotia.
- Municipal Innovation Program - one project at \$262,500 of provincial funding to support municipal innovation.
- Flood Risk Infrastructure Investment Program– four municipal projects with a total investment of \$258,421 to help mitigate flood risk.
- Beautification and Streetscaping Program - Nine projects received \$557,000 to enhance the beauty of communities.
- Community Works Program - Ten projects received approximately \$198,000 to create job opportunities for unemployed people to gain skills and experience in their fields.
- Sustainable Services Growth Fund –DMAH provided \$32M through the creation of the Sustainable Services Growth Fund (SSGF), as a one-time transfer to support municipalities with capital infrastructure needs to service our growing population. SSGF Projects must demonstrate direct impact to support Nova Scotia’s growing population by investing in municipal services.



- In March 2022, Government invested \$3.5 million to help volunteer fire departments, ground search and rescue organizations and First Nations fire departments recover from fundraising losses during the COVID-19 pandemic. More than 340 organizations received a one-time grant of \$10,000.

#### *Environmental Sustainability:*

DMAH supported the Minister of Environment and Climate Change (ECC) to prioritize climate adaptation and prepare resources for action at the municipal level through advice and programming. We also provided land-use planning advice to ECC relating to their regulations under the *Coastal Protection Act*, Climate Plan conceptual development, and Climate Change Risk Assessment.

Through the **Municipal Flood Line Mapping Program**, the department worked with municipal partners to hire consultants and academic partners to:

- Conduct riverine and coastal flood mapping for Primary Watersheds in Gasperau, Meteghan, Sissiboo-Bear, South-West Antigonish;
- Conduct coastal flood mapping for Guysborough County; and
- Provide support to Dalhousie University in partnership with St Francis Xavier University for research into historic and future precipitation trends and down-scaling of global climate models to the Nova Scotian context.

To improve building efficiency of its public housing portfolio and to meet the provincial and federal GHG emissions reductions targets, NSPHA (formerly HNS) is implementing **deep energy retrofits**. NSPHA is working with stakeholders to promote and support healthy, sustainable, and affordable housing. Investments will align and support the targets set in the *Environmental Goals and Climate Change Reduction Act*.

Between April 1, 2022, and November 30, 2022, 25 energy-efficient projects of 281 units in 25 buildings were implemented, resulting in an energy savings of 562,600 kWh.

#### *Emergency Management:*

NS Emergency Management Office (NSEMO) continued planning and development related to deployment of **Next Generation 911** (NG911). This is an ongoing multi-year project, following Canadian Radio-television and Telecommunications Commission (CRTC) ruling, to update 911 network telephone infrastructure to a Voice over Internet Protocol (VoIP)-based system by 2025. In 2022-23, the Department reviewed Public Safety Answering Points inventory and facility assessments and completed a Cyber Security Threat Risk Assessment & Privacy Impact Assessment. A Request for Proposal (RFP) will be released in 2023.

In September 2022, Post-Tropical Storm Fiona was the costliest disaster to hit Nova Scotia. It brought heavy rainfall and hurricane-force winds to Nova Scotia causing widespread damage across the province. NSEMO activated its Provincial Coordination Centre. Under the current Disaster Financial Assistance Arrangement program, administered by Public Safety Canada, the department received close to 1,700 claims for assistance.

NSEMO contracted with the Red Cross to provide emergency funding to homeowners and tenants ordered out of their homes by a municipal or provincial official.

#### *Accessibility Initiatives:*

In collaboration with the Accessibility Directorate, an Accessibility Support Coordinator was hired at AMANS to oversee the Municipal Accessibility Program. This will assist municipalities and villages to strengthen their accessibility capacity by creating tools, resources, and educational opportunities.

The new SSGF includes municipal infrastructure funding which can be used to support municipal accessibility projects.

NSPHA is working with partners to maintain and increase the availability, sustainability, and affordability of accessible housing units. Between April 1, 2022, and November 30, 2023, 22 barrier-free public housing units and 59 near-accessible public housing units were created.

## Financial Summary and Variance Explanation

<b>Departmental Expenses Summary</b> ( \$ thousands)			
<u>Programs and Services</u>	<u>2022-2023</u> <u>Estimate</u>	<u>2022-2023</u> <u>Actuals</u>	<u>2022-2023</u> <u>Variance</u>
Senior Management	982	1,088	106
Corporate Policy & Innovation	1,649	1,657	8
Municipal Sustainability	246,227	256,607	10,380
Emergency Management Office	10,625	33,697	23,072
Housing	140,996	204,919	63,923
<b>Total - Departmental Expenses</b>	<b>400.479</b>	<b>497,968</b>	<b>97,489</b>
<b>Additional Information:</b>			
Ordinary Revenues	5	6	1
Ordinary Recoveries	170,690	145,176	(25,514)
<b>Total: Revenue, Fees and Recoveries</b>	<b>170,695</b>	<b>145,182</b>	<b>(25,513)</b>
TCA Purchase Requirements	177	261	84
<b>Funded Staff (# of FTEs)</b>			
<b>Department Funded Staff</b>	<b>182.8</b>	<b>171.3</b>	<b>11.5</b>
<b>Departmental Expenses Variance Explanation:</b>			
Department of Municipal Affairs and Housing expenses were \$97.5 million or 24.3 per cent higher than the estimate primarily due to \$63 million for Housing initiatives such as Modular housing and Community housing, \$31.9 million for the Sustainable Services Growth Fund Grants, \$23.3 million in partly recoverable Disaster Assistance relief for Hurricane Fiona and \$3.4 million for volunteer emergency service provider fundraising grants.			
These increases were partially offset by \$24.1 million in Federal Infrastructure project delays.			
<b>Revenue, Fees and Recoveries Variance Explanation:</b>			
Department of Municipal Affairs and Housing recoveries were \$25.5 Million or 15 per cent lower than the estimate due to decreased recoveries from the Federal Government, primarily due to infrastructure project delays.			
<b>TCA Purchase Requirements Variance Explanation:</b>			
The Department of Municipal Affairs and Housing Tangible Capital Asset purchase requirements were \$84 thousand higher due to the completion of the Municipal Affairs Asset Tracking system and the increase in costs for acquiring vehicles.			
<b>Provincial Funded Staff (FTEs) Variance Explanation:</b>			
Delays in filling vacancies account for lower than expected (11.5) FTE's.			
<i>*Instructions: Please note - variance explanations should be for material differences only.</i>			

## ***Public Interest Disclosure of Wrongdoing Act***

### **Annual Report under Section 18 of the *Public Interest Disclosure of Wrongdoing Act***

The *Public Interest Disclosure of Wrongdoing Act* was proclaimed into law on December 20, 2011.

The Act provides for government employees to be able to come forward if they reasonably believe that a wrongdoing has been committed or is about to be committed and they are acting in good faith.

The Act also protects employees who do disclose from reprisals, by enabling them to lay a complaint of reprisal with the Labor Board.

A wrongdoing for the purposes of the Act is:

- a) a contravention of provincial or federal laws or regulations;
- b) a misuse or gross mismanagement of public funds or assets;
- c) an act or omission that creates an imminent risk of a substantial and specific danger to the life, health or safety of persons or the environment; or,
- d) directing or counselling someone to commit a wrongdoing.

Please use the following format to satisfy the disclosure obligation:

The following is a summary of disclosures received by Department of Municipal Affairs and Housing.

<b>Information Required under Section 18 of the Act</b>	<b>Fiscal Year 2022-2023</b>
The number of disclosures received	0
The number of findings of wrongdoing	0
Details of each wrongdoing (Insert separate row for each wrongdoing)	N/A
Recommendations and actions taken on each wrongdoing. (Insert separate row for each wrongdoing)	N/A

There were no Disclosures of Wrongdoing received by the Department of Municipal Affairs and Housing in 2022-23.