



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

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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 NSFAM 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.

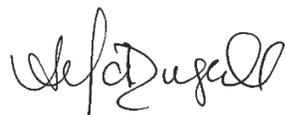
The Commission correctly identified insufficient data as a significant impediment to formulating evidence-based solutions. A provincially led approach to housing needs assessments will ensure the consistency, comprehensiveness, and comparability of data collected across Nova Scotia and will provide insight 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,



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



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

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

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.