

Beyond the Success story: Patterns in Canadian Rental Housing Policy

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Rental Housing in Canadian Cities: Barriers and Solutions to Implementation

- Research study funded through SSHRC Research Development Fund Grant (\$2,745) and SSHRC Insight Development Grant (\$37,124), 2017-2020
- Goals:
 - catalyze new municipal policies and programs in rental housing through policy learning
 - synthesize knowledge from case study cities on barriers and solutions to rental housing protection and development through systematic case comparison (meta-analysis), a method that offers significant opportunities in knowledge development and analytic generalization

Research Questions

- What are the barriers to implementation and protection of rental housing in Canadian cities?
- How have municipal planners, housing providers, and developers overcome these barriers to implement solutions to the protection of existing and implementation of new rental housing?
- What is the role of the new National Housing Strategy in supporting development or preservation of rental housing in municipalities?

Methodology

Phase 1 (September 2017-September 2018)

Phase 2 (September 2018-July 2019)

Policy Analysis

Examine the plans, policies, and strategies of 15 Canadian municipalities

Survey

Ask municipal planners, developers, housing organization staff about barriers and solutions in the 15 municipalities

Meta-Analysis

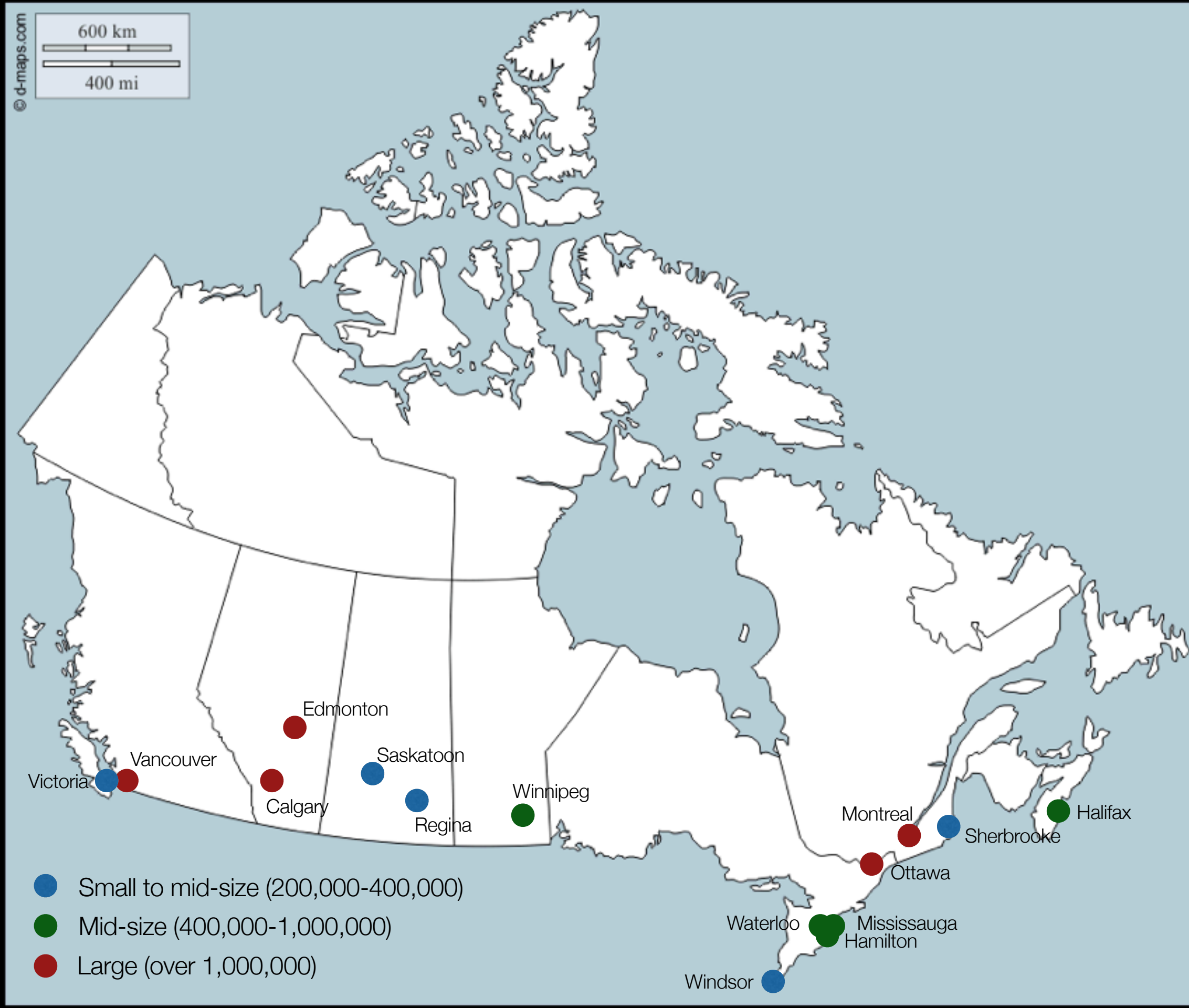
Determine the similarities/differences across the cases and the analytically generalizable trends and policy lessons

Policy Learning Workshop

Share the policy solutions with municipal planners, provincial planning staff, developers, and housing organization staff in Halifax

The Case Studies

- The 15 cities were chosen for their population size and range of approaches to rental housing policy, plans, and programs



The 15 Case Studies

	Victoria	Vancouver	Calgary	Edmonton	Saskatoon	Regina	Winnipeg	Windsor	Waterloo	Hamilton	Mississauga	Ottawa	Montreal	Sherbrooke	Halifax
Population	367,770	2,463,431	1,392,609	1,321,426	295,095	236,481	778,489	329,144	523,894	747,545	721,599	1,323,783	4,098,927	212,105	403,390
Households paying over 30%	19.0	25.4	22.0	15.1	14.4	22.0	21.0	22.0	23.5	16.8	25.7	13.4	15.5	21.0	12.9
Tenant households paying over 30%	44.3	43.5	36.6	37.7	44.7	45.9	39.5	44.7	42.3	45.2	46.3	40.6	36	33.7	43.3
% Rental	37.3	36.2	27.0	30.0	30.0	30.0	33.0	28.0	32.0	30.0	25.0	33.0	66.0	44.0	40.0
Market rental vacancy	0.7	0.9	6.3	7.0	9.6	7.0	2.8	2.4	1.9	2.4	0.9	1.7	2.8	5.3	2.3

Note: All of the case studies are Census Metropolitan Areas (CMAs) except Mississauga, which is a Census Subdivision.

Date sources: Census of Canada (2016), CMHC Rental Market Reports (2017) (market rental vacancy).

- **Households paying over 30%:** Vancouver, Mississauga are well over the median of 19%, Halifax and Saskatoon lower
- **Tenant households paying over 30%:** range is much higher than for households in general
- **% rental:** Sherbrooke, Halifax, Montreal, are higher than the median of 31%
- **Market rental vacancy:** Sherbrooke, Calgary, Edmonton, Saskatoon, and Regina are well over the median of 2.4 percent

Policy Comparison

COMMON TO ALL

- Rent supplements
- Renovation/rehabilitation programs
- Policies encouraging secondary suites

COMMON TO SOME

- Condominium conversion policies
- Reduction/elimination of development fees
- Capital grants for new rental units
- Sale of municipal land for affordable housing
- Inclusionary zoning
- Property tax exemptions

UNCOMMON TO MOST

- Municipal development corporations
- Plans emphasizing affordable housing near transit
- Housing reserve funds
- Land banks

UNIQUE

- Vancouver: Rental 100 Secured Market Rental Housing Policy, Foreign Buyers' Tax, Vacancy Tax By-Law
- Saskatoon Rental Development Program
- Province of Québec AccèsLogis program
- Province of Manitoba Rental Housing Construction Tax Credit Program

Policy Comparison

COMMON TO ALL

- Rent supplements
 - Renovation/rehabilitation programs
 - Policies encouraging secondary suites
- Rent supplements to low-income tenants through CMHC
 - Renovation programs to allow units to remain affordable—specific programs for rooming houses (Halifax, Winnipeg, Sherbrooke, Montreal)
 - Secondary suites—Calgary and Vancouver allow them across the city and Winnipeg, Saskatoon, Victoria, and Edmonton provide significant funding to create units

Policy Comparison

COMMON TO SOME

- Condominium conversion policies
- Reduction/elimination of development fees
- Capital grants for new rental units
- Sale of municipal land for affordable housing
- Inclusionary zoning
- Property tax exemptions

- Thirteen cases have condo conversion policies—Vancouver, Saskatoon, Hamilton, and Windsor are strongest, Regina and Sherbrooke the weakest
- Five cases offer fee exemptions for non-profits building affordable housing, and Vancouver, Waterloo, and Hamilton specifically offer these to developers building rental housing. Ottawa, Edmonton, and Hamilton require long-term affordability
- Nine cases allow municipal land to be used for affordable housing
- Eight cases allow inclusionary zoning/housing, but Vancouver is by far the strongest
- Seven cases exempt property taxes for non-profit developers, Saskatoon for up to 10 years for new rental projects

Policy Comparison

UNCOMMON TO MOST

- Municipal development corporations
- Plans emphasizing affordable housing near transit
- Housing reserve funds
- Land banks

- Four cases have municipal development corporations: Hamilton, Victoria, Vancouver, and Saskatoon
- Four cases connect low-income or rental housing to transit infrastructure: Waterloo, Edmonton, Montreal, and Vancouver—Vancouver is the most explicit
- Three cases have housing reserve funds used to build affordable housing: Victoria, Vancouver, and Saskatoon
- Three cases have land banks: Saskatoon, Victoria, and Montreal—Saskatoon is the most advanced and oldest

Policy Comparison

UNIQUE

- Vancouver: Rental 100 Secured Market Rental Housing Policy, Foreign Buyers' Tax, Vacancy Tax By-Law
- Saskatoon Rental Development Program
- Province of Québec AccèsLogis program
- Province of Manitoba Rental Housing Construction Tax Credit Program
- **Vancouver's Rental 100**: Offers a package of incentives to developers to build 100% rental buildings that will stay rental for 60 years or for the life of the building
- **Vancouver's Foreign Buyers' and Vacancy Tax By-Laws** aim to bring more condo units into the secondary rental market
- **Saskatoon's Rental Development Program** (in partnership with the Province) provides up to 70% of the cost of new affordable rental units
- **Québec's AccèsLogis program** crowdsources public, community, and private resources to create permanent rental housing for low- to middle-income households
- **Manitoba's RHCTC** allows developers to earn tax credits if at least 10% of the units are affordable and remain affordable for five years

Survey Results

- Survey of municipal planners, non-profit housing organizations, and developers in the 15 case study cities
- 194 responses, 102 complete; response rate 48.6% (all responses), 25.5% (completed responses)

Public	Private	Non-Profit	Total
45	18	39	102
44.1%	17.6%	38.2%	100%

Responsibilities of the Organization

Question 6

Is your organization responsible for any of the following? (select all that apply)



Barriers to Implementation of Policies

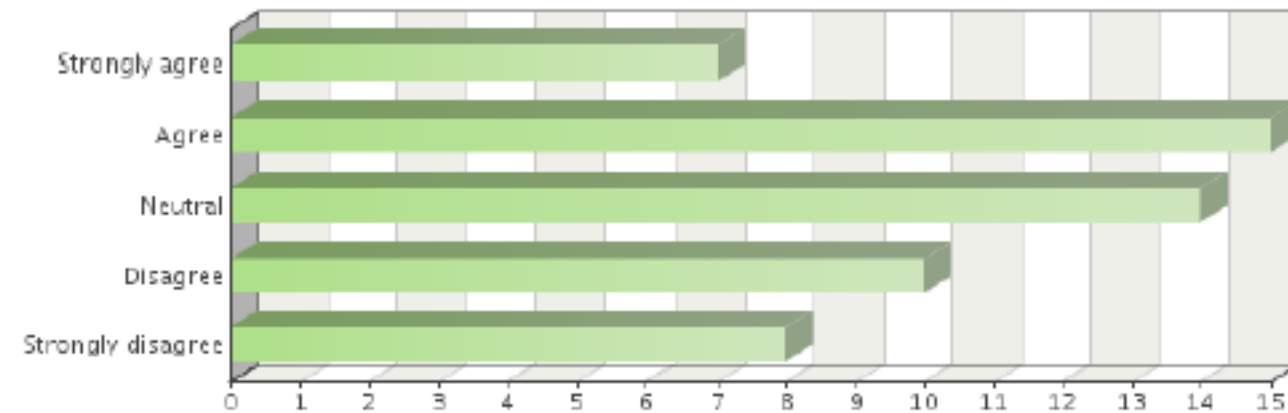
- Incentive-based approaches have a limited ability to influence rental housing compared to market forces
- Inflexible government funding programs
 - “Restrictive funding program timelines can impede developments as it does not allow for zoning changes, ESA assessments, etc...Projects must be shovel ready and that requires an investment from developers even before they apply for funding.”
- Lack of community support for densification, multifamily housing outside core area
 - “There is still stigma attached to rental in general and affordable rental in particular, making it challenging to overcome neighbourhood opposition in established neighbourhoods.”
- Lack of funding from federal and provincial governments
- Difficulties coordinating partnerships/lack of communication

Setting/Achieving Targets for Rental Housing

Question 11

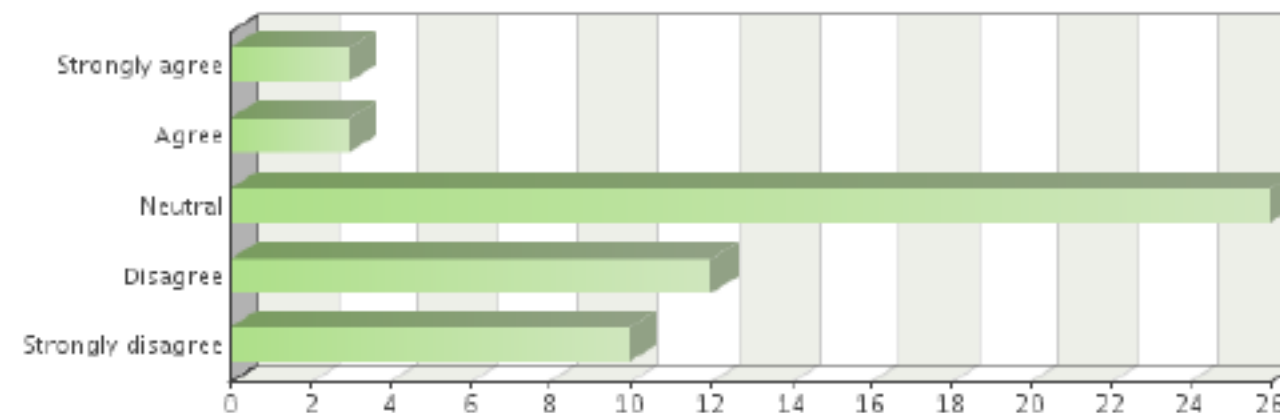
For questions 11 to 21, please indicate your level of agreement with each statement.

In my municipality, the municipal/regional government has set targets to produce a certain number of new rental units in the past decade (e.g. since 2008).



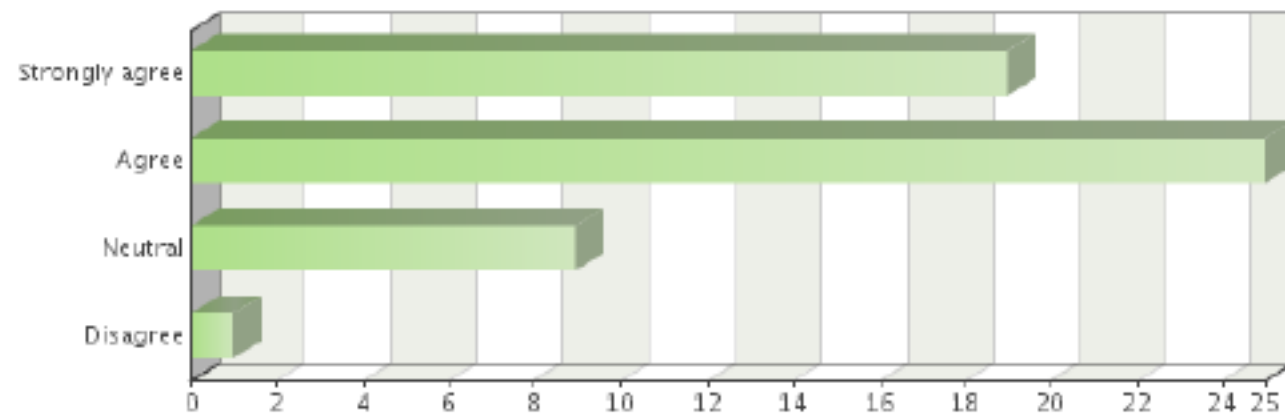
Question 12

In my municipality, the municipal/regional government has achieved its targets to produce a certain number of new rental units in the past decade (e.g. since 2008).



Question 18

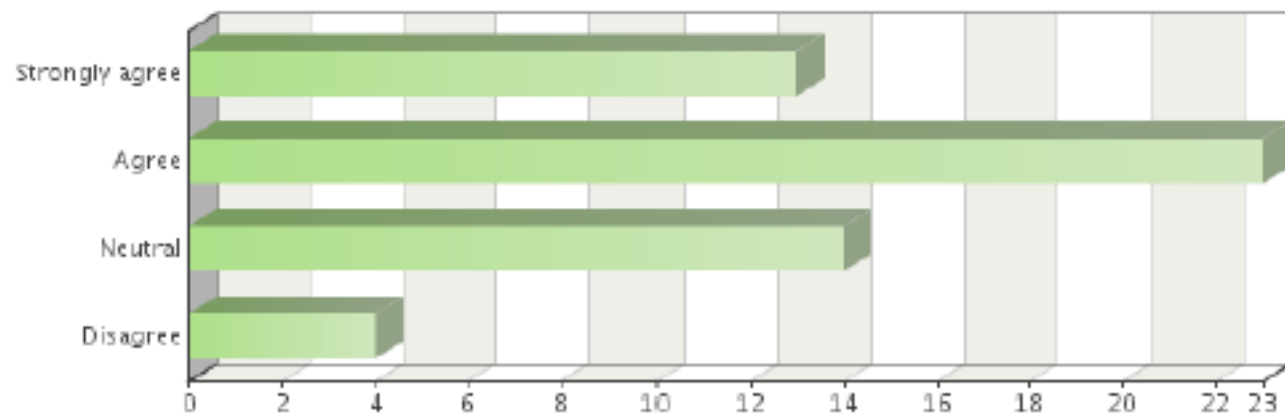
My organization would benefit from stronger relationships and collaboration with other organizations (e.g. non-profits, private sector firms, etc) in the municipality/region.



Relationships and Collaboration

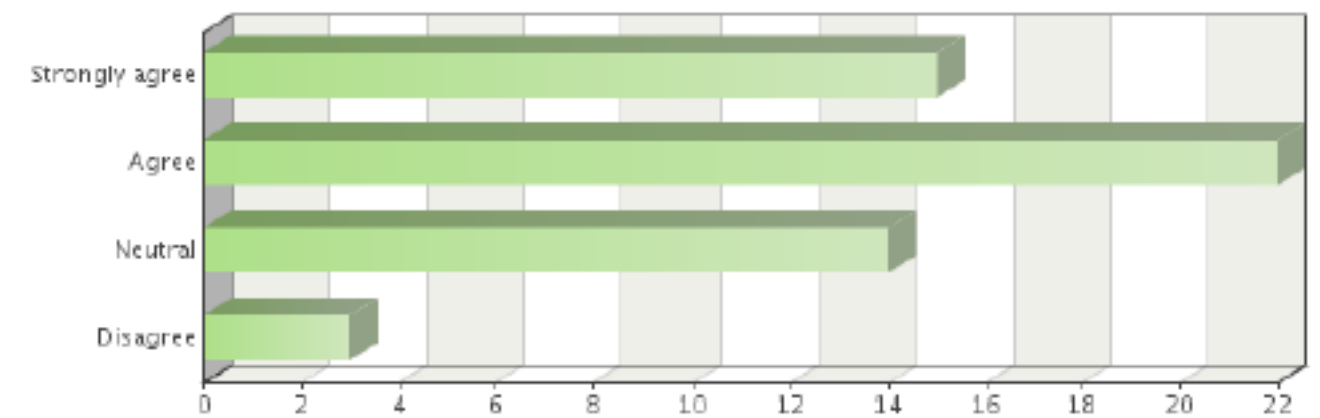
Question 21

My organization would benefit from a stronger relationship with the federal government in the development of rental housing.



Question 20

My organization would benefit from a stronger relationship with the provincial government in the development of rental housing.



Protecting Existing Rental Units

- Social (public) and non-profit rental housing is well protected, but not private rental
“Our municipality does reasonably well with the resources it has. Given the intricate provincial statutes and active municipal bylaw enforcement offices, the tools to effectively protect rental housing are there. However, more enforcement is needed.”

Building New Rental Units

“I would suggest that their approach to Investment in Affordable Housing funding is somewhat short sighted in terms of private developers. To receive funding, the private developer needs to commit to 20 years of affordable housing. After that, they are free to do what they want with the building that has been largely subsidized by government funding. While an overall base stock has been created, this only guarantees "affordable" housing for 20 years at which time this inventory of housing will need to be replaced. However, when they invest in new construction through non-profit providers, the housing remains affordable well beyond the 20 year agreement.”

“Changes to development rules in the core of the city over the last 5-8 years have resulted in a greater increase in rental stock over a shorter period of time.”

Role of the New National Housing Strategy

- Some respondents were unaware of the strategy (2017)
- The NHS is still very new and will take some time to take effect:
 - “Newly available funding is resulting in a noticeable increase in development and rezoning applications for affordable housing projects. The units resulting from those projects will likely take a number of years to come online.”
 - “The National Housing Strategy will be very important for non-profit housing providers with post-85 agreements to be able to retain their affordable rental housing. It is not yet clear how much it will contribute to new supply of rental housing as our Provincial and Municipal government's have not committed matching resources.”

Obstacles Overcome

- Increased cross-sector collaboration and communication
- Increased capacity building
- Political leadership/will has increased
- Increased appreciation of the need for rental housing, better able to address NIMBY
- Introduced incentives and tools for developers
- New funding from CMHC will enable preservation of non-profit and co-op housing

Advice for Other Municipalities

“Partner with other like minded organizations, be creative in housing models.”

“Work with developers’ existing pro formas to tailor incentive programs that work for them to include new rental/non-market rental in their projects.”

“Multiple departments within the municipality need to work together to protect or build rental housing, including having a clear mandate to prioritize the use of flexible programs/processes to support it.”

“Protect: enact a more rigid condominium conversion policy in your Official Plan. Continue to dedicate funding to local renovation programs to keep people in their homes.”

Advice for Other Municipalities

“Enforcement. Enforcement. Enforcement. Clear rules with stiff penalties that are actually IMPOSED. Municipalities need to work closely with the provincial government. Ideally, more powers would be delegated to the municipalities to innovate.”

“Develop/ensure methods and key performance indicators are in place to strengthen communication/coordination among public and private housing providers.”

“Don't address the social housing issue from the physical side, i.e., building houses, but from the social side, i.e., prepare people to participate in the private sector.”

Conclusions

- **Policies fell into four groups:** common to all, common to some, uncommon to most, and unique. In the middle two groups, there was a lot of variation in the strength of the policy/program and the intent of the municipality to implement it
- **Barriers to implementation and protection of rental housing:** lack of funding; lack of collaboration/communication; inflexible government programs; lack of resident support; difficulty enforcing standards/policies
- **Overcoming the barriers:** increased cross-sector collaboration/communication, capacity building, and political will; appreciation of the need for rental housing; introduction of incentives/tools; new federal funding (anticipated)
- **The new National Housing Strategy** is just starting to have an impact on municipal housing supply, and is expected to play a role in preservation of existing non-profit and co-operative housing

Next Steps

Phase 1 (September 2017-September 2018)

Phase 2 (September 2018-July 2019)

Policy Analysis

Completed by July
2018

Survey

Completed by
August, data
analysis completed
by October 2018

Meta- Analysis

Completed by
October 2018

Policy Learning Workshop

Video completed by
December 2018,
workshop will be
held in February
2019

Planning in high school? Black Business Initiative partners with Dalhousie

Last Friday, May 18th, the Dalhousie School of Planning was thrilled to offer a workshop for African Nova Scotian high school students in partnership with the Black Business Initiative in Halifax. Eight students attended our workshop on planning and ten attended the workshop on architecture held by the School of Architecture on the same day. Architecture professor James Forren pursued this idea with BBI throughout the fall, and then recommended that the School of Planning get in touch so we could possibly hold a parallel workshop. We all felt that this was a great way to introduce high school students to our disciplines, which most of them don't know about until well into their undergrad degree. BBI aims to introduce students to the Dalhousie President's Office (Community Relations Coordinator), some of our students (BBI representatives), and some of our faculty (James Forren).



Using videos in planning education

Planning education reaches far beyond the classroom. As practicing planners, we need to make sure that residents, business leaders, and city councillors understand planning concepts such as the need for increased density in urban corridors, growth management strategies and travel demand management. In this post, I'm going to introduce some videos that introduce people to planning concepts and issues.

Planning Discipline

Our amazing Dalhousie School of Planning alumni, Byung-Jun Kang and Uytay Lee, produced this video in partnership with the Licensed Professional Planners Association of Nova Scotia. It gives beginners a brief glimpse into the field of planning, and might be useful for conversations and presentations to the general public. We also use it on our School of Planning website to help potential students understand what kinds of work they will do when they graduate from our programs.

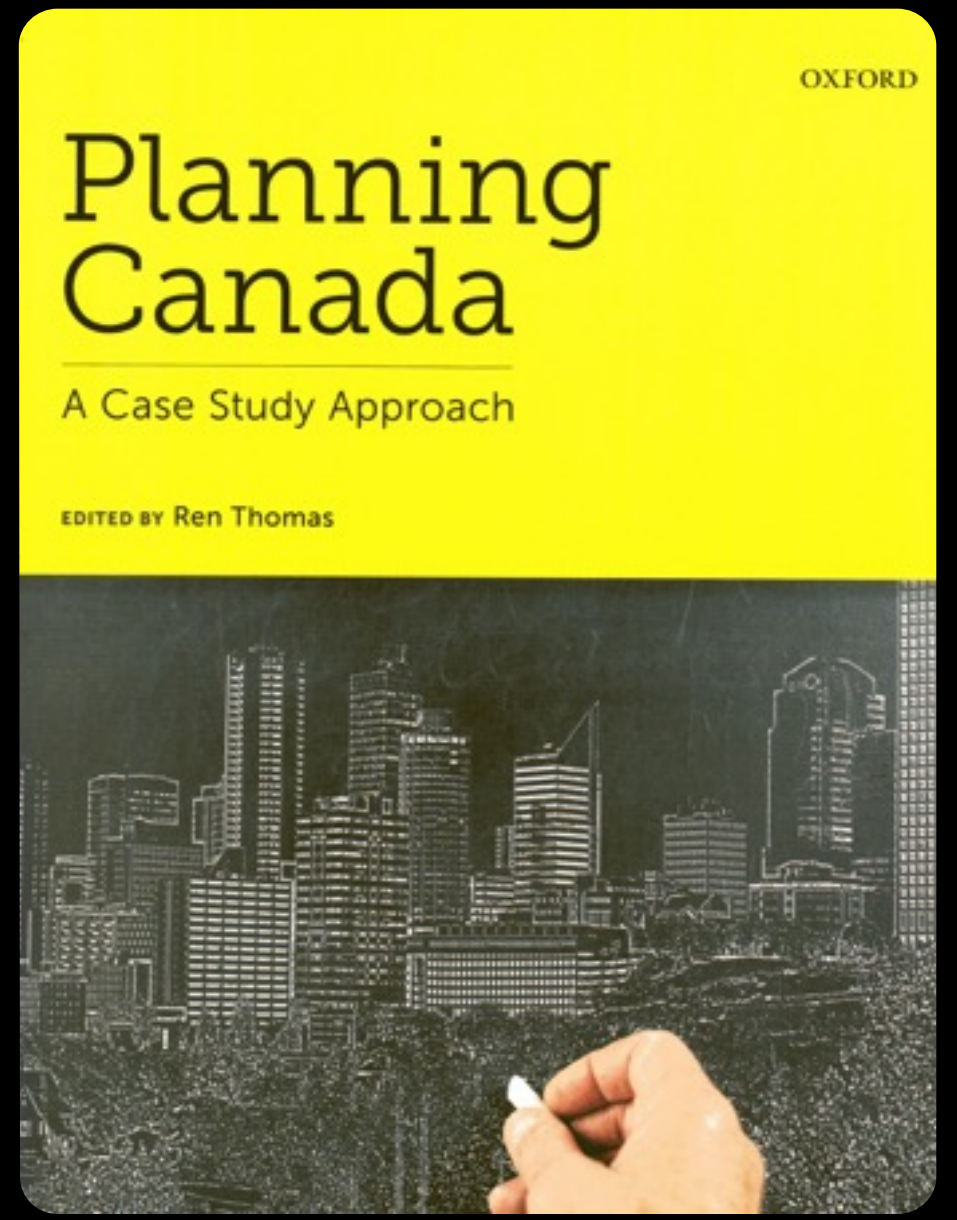


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