Canadian Rental Housing Policy: Implications for Smart Growth

Ren Thomas
Assistant Professor, Dalhousie University
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Dense, mixed use communities

- Three streams of research and practice came together in early 2000s, with different approaches but very similar outcomes
  - Neotraditionalism, e.g. new urbanism, smart growth
  - Increasing public health through physical activity
  - Sustainable development, e.g. cluster development, leaving land for stormwater design, mixed-use

Neotraditionalism: Duany, Plater-Zyberk

- New Urbanism aimed to restore traditional architectural forms, mix of land uses and building types, preservation of green space

- Return to grid street patterns, small block sizes, interconnected pathways and greenways

- Smart growth and new urbanism both led to widespread changes to land use planning by-laws and officla plans

Public Health: Frank, Engelke and Schmid

- Brought public health issues back into planning, and brought together infrastructural and health concerns

- Details the connection between health and the built environment

- Led to cities improving pedestrian/cyclist safety; implementing bike paths, sidewalks, connecting gaps in trail networks; land use changes; breaking up large blocks to decrease walking times
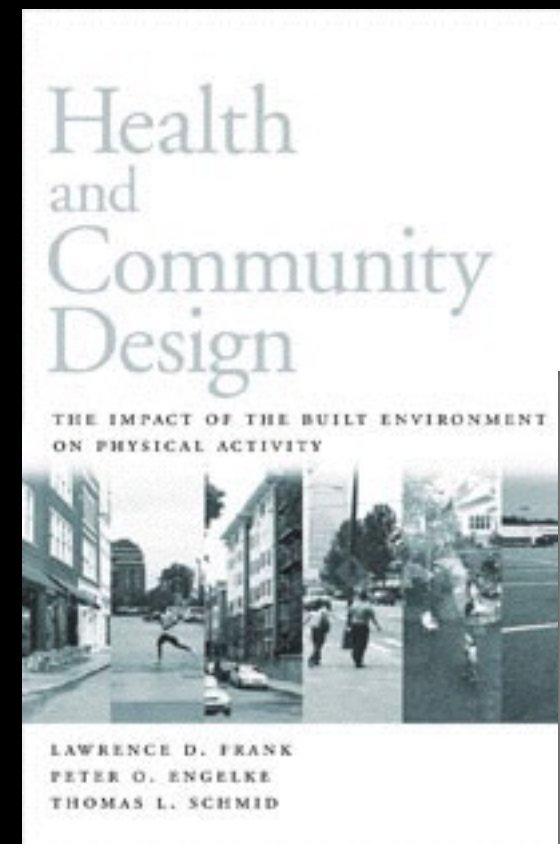
Sustainable Development: Banister, Rees/Wackernagel, Hester

- Preservation of ecological features (e.g. wetlands, rivers, forests) through careful site design

- Integration of natural-looking stormwater management

- More dense neighbourhoods

- Planning tools like cluster zoning, planned unit development

Valley West PUD in Bozeman, Montana

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)

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

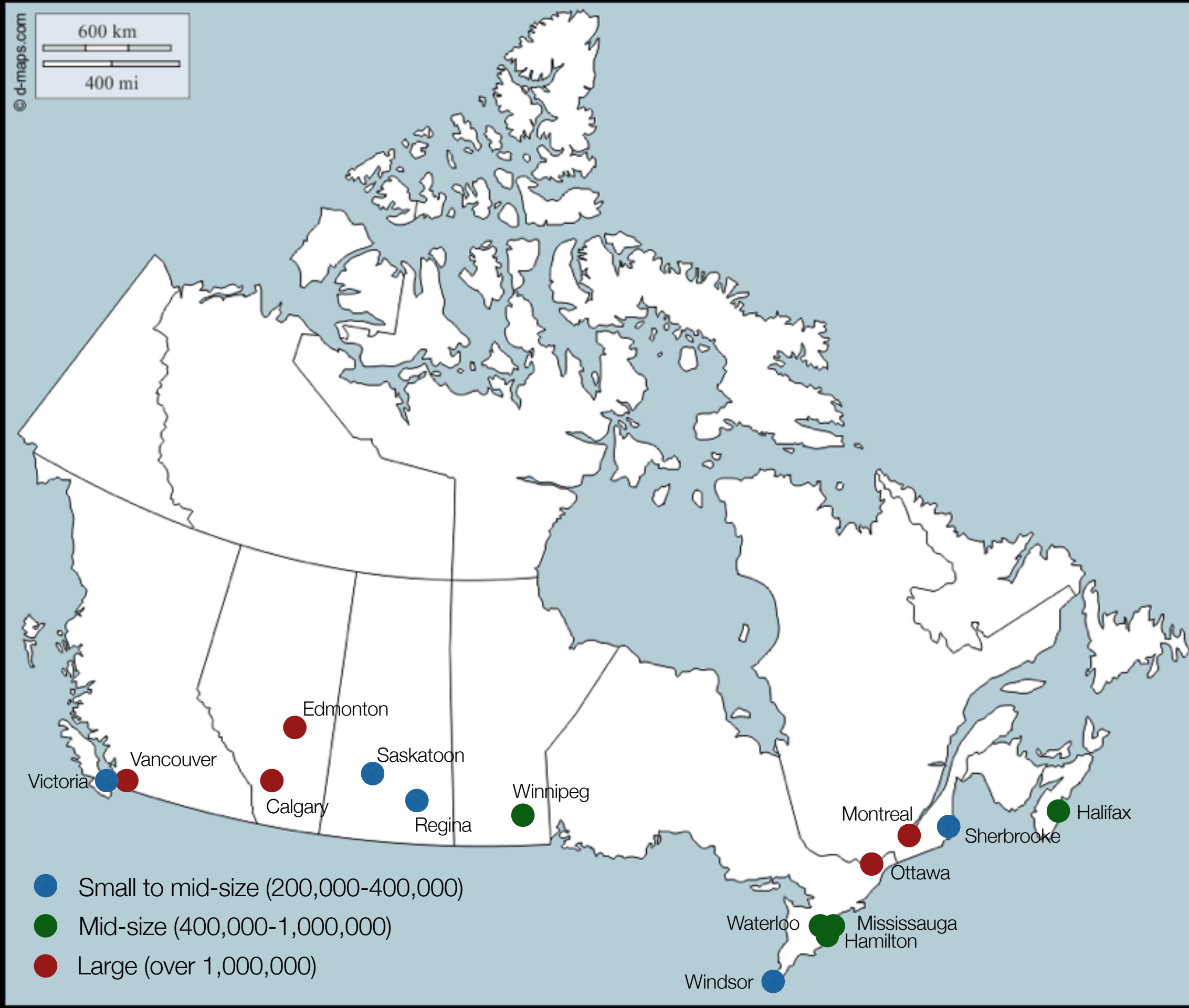## Phase 2 (September 2018-July 2019)

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

Edmonton
Vancouver
Saskatoon
Victoria
Winnipeg
Calgary
Regina
Montreal
Halifax
Sherbrooke
Ottawa
Waterloo
Mississauga
Hamilton
Windsor

- Small to mid-size (200,000-400,000)
- Mid-size (400,000-1,000,000)
- Large (over 1,000,000)

600 km
400 mi

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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 emphazing 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 emphazing 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

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- **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%

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
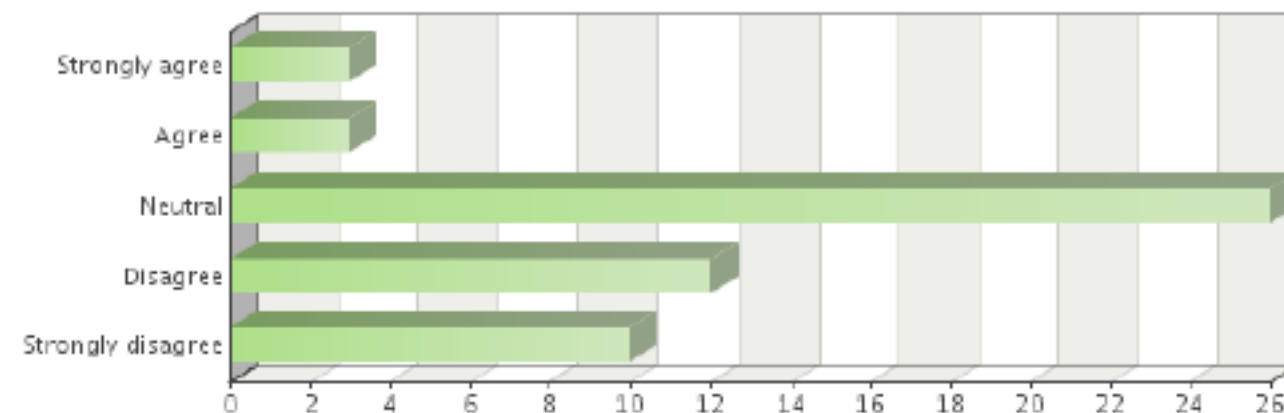

Question 11

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).
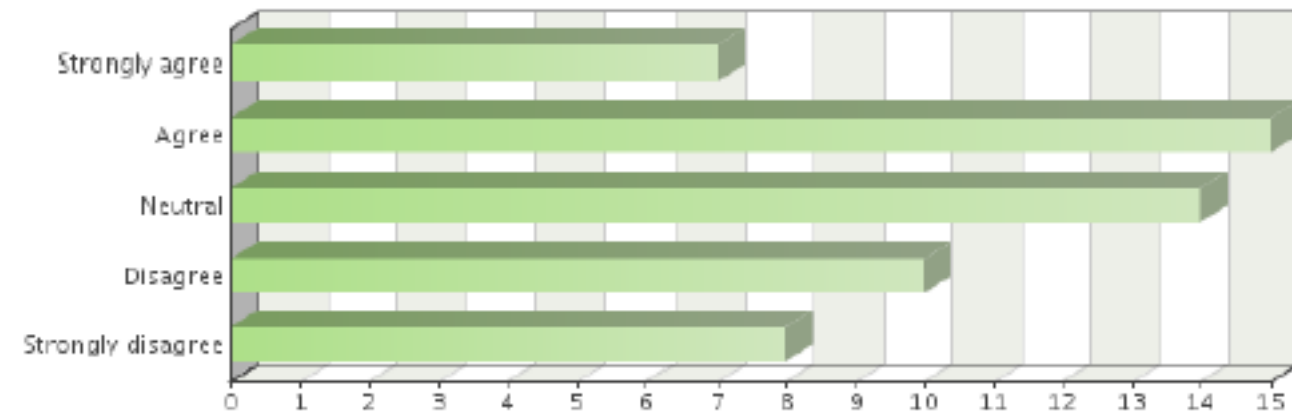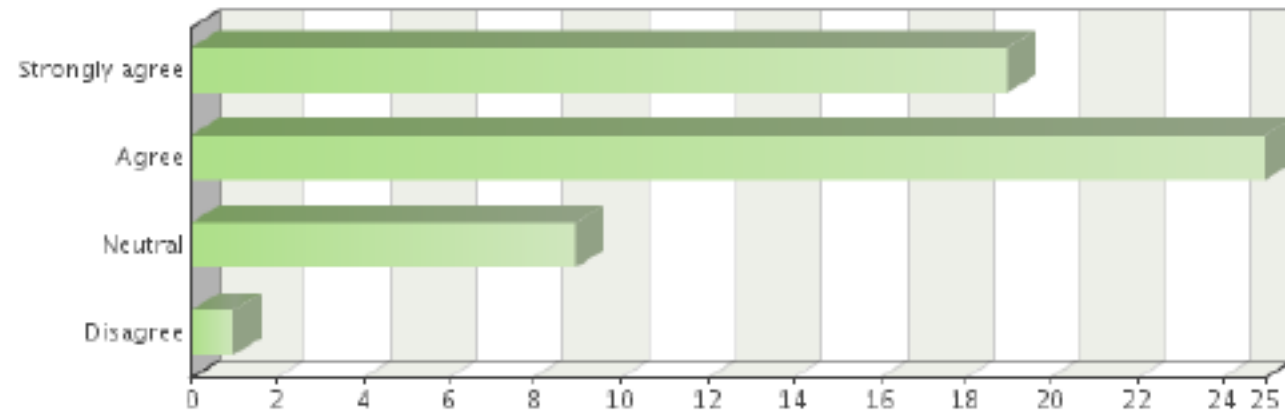
Question 12

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).
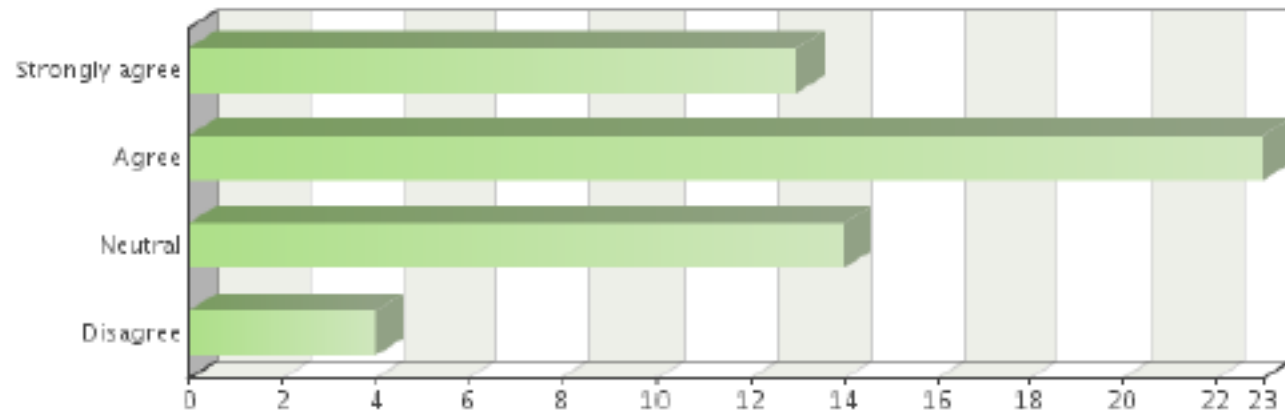
Relationships and Collaboration

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.
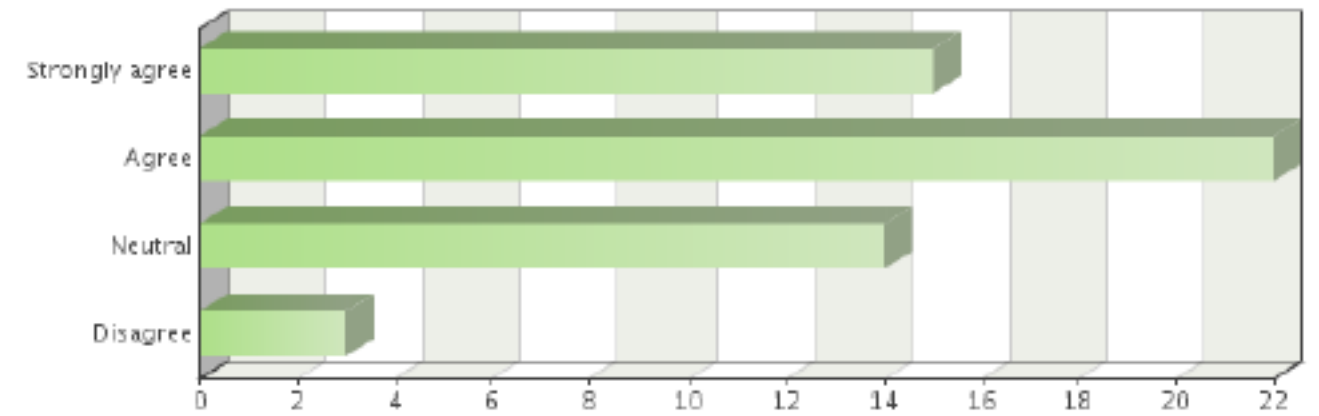

Question 21

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
- Most of the case studies have at most one tool to protect rental housing: a condo conversion by-law

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."

"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."

"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

- **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

Implications for Smart Growth

- Most municipalities support the development of new rental housing, but face structural and institutional barriers to building more densely in areas with existing infrastructure

- Municipal housing plans/strategies and housing sections of Official Plans are often poorly linked to Land Use By-Laws, and in particular to Transportation Plans

  - In particular, there are often no clear policies around the location of sites to be used for the development of affordable housing in relationship to public transit infrastructure or other existing infrastructure

  - Councillors and planners encounter NIMBY attitudes towards integrating increased density, multi-family developments, rental housing, and secondary suites in existing neighbourhoods

Ren Thomas
M.A., Ph.D. (Planning)

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 degrees. BBI aims to introduce stud___
thrilled about the event___
the Dalhousie Presider___
students. BBI represen___
Community Relations)___
Coordinator), some of___

For our workshop, we __

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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 Uytae 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.

What is Planning?
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OXFORD

Planning Canada
A Case Study Approach

EDITED BY Ren Thomas
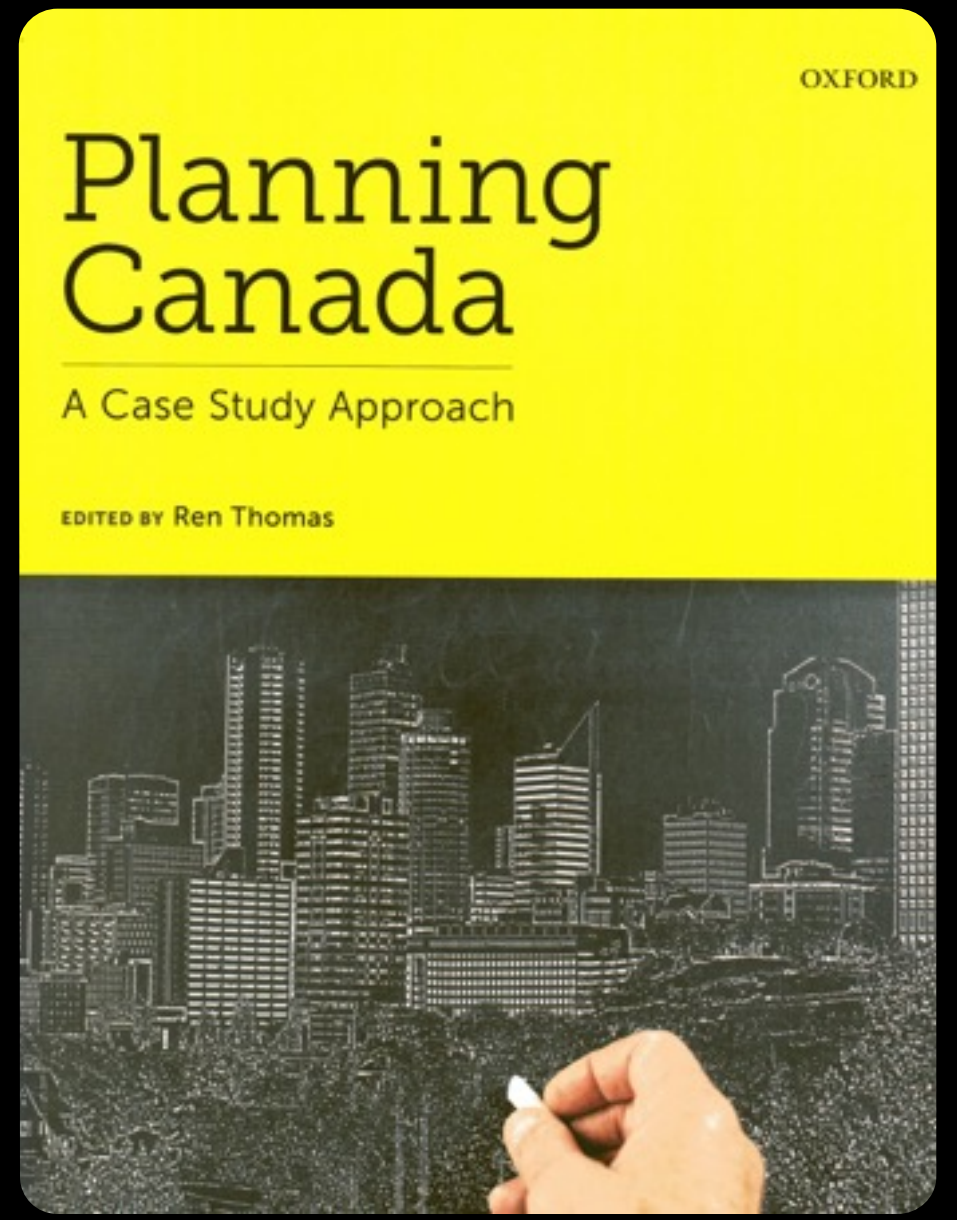
www.renthomas.ca
ren.thomas@dal.ca