RENTAL HOUSING APPROACHES ACROSS CANADA

By Ren Thomas

SUMMARY

For many years, Canadian cities have struggled with housing affordability and with building new rental housing, a critical housing type for many households. What kinds of policy approaches are planners, developers, and non-profit housing organizations using to preserve existing rental units and to build new ones? Cities across the country are using innovative approaches, and planning tools and regulations are only part of the story.

RÉSUMÉ

Pendant de nombreuses années, les villes canadiennes ont peiné à offrir des logements abordables et à construire de nouveaux logements locatifs, un type de résidence essentiel pour de nombreux ménages. À quelles approches stratégiques les urbanistes, les promoteurs et les organismes de logement sans but lucratif ont-ils recours pour préserver les logements locatifs existants et en construire de nouveaux ? Partout au pays, les villes recourent à des approches novatrices, et les outils et règlements urbanistiques ne sont qu'une partie du tableau.

> Most cities still struggle to protect existing rental housing units.

INTRODUCTION

Until the adoption of the National Housing Strategy in 2017, Canadian municipalities were in a state of limbo. Unable to build rental housing on their own, and unwilling to forgo the increased property taxes often incurred with condominium development, production of rental housing was often minimal. But in the meantime, rental housing emerged as a critical housing and tenure type: market ownership grew out of reach for many, particularly single-person, immigrant, and senior households. Households may rent for a longer period of time or even forgo ownership completely.[1] Demographic shifts[2] and labour market shifts favouring shorter-term, lower-paying jobs[3] have also contributed to an increase in demand for rental housing. Before the National Housing Strategy recently introduced new programs to fund rental housing in municipalities, some cities developed strategies of their own.

This article presents the results from a study of rental housing policy across 15 Canadian case studies, including plan/policy analysis, a survey, meta-analysis, and policy learning workshops. The case study cities were chosen for their range of approaches to rental housing, and can be grouped into three categories:

- Small to mid-size (200,000-400,000): Regina, Sherbrooke, Windsor, Victoria, Saskatoon
- Mid-size (400,000-1,000,000): Winnipeg, Mississauga, Hamilton, Waterloo, Halifax
- Large (over 1,000,000): Calgary, Montreal, Ottawa, Vancouver, Edmonton

RESEARCH RESULTS

The main barriers faced in the development of rental housing, and its protection, were investigated in a survey of 102 planners, developers, and non-profit housing organization staff working in the case study cities. Barriers included:

- Difficulties coordinating partnerships/lack of communication, especially between stakeholders within their own region
- Lack of funding from federal and provincial governments, and inflexible government funding programs (participants noted that they not yet accessed new funding through the NHS)
- Administrative burden associated with policies, programs, and strategies
- Lack of community support for densification and multifamily housing outside core area
- Lack of data on rental housing supply

An analysis of the official plans, housing strategies, programs, and bylaws for each case study showed that policy approaches fell into four categories (see **Figure 1**).

Every city used the 'universal' approaches, but few integrated 'uncommon' or 'unique' approaches such as municipal development corporations/non-profits and land banks. Stronger policy wording was often matched with funding. For example, Edmonton introduced a program to create approximately 75 new secondary suites and add another 75 new secondary suites per year from 2013-2016, facilitated through a program that funded up to 50% of renovations up to a maximum of $20,000. In Vancouver their inclusionary zoning policy requires 20% of residential floor space for affordable housing for sites over two acres in size, and their 10-Year Affordable Housing Delivery and Financial Strategy (2018) proposed increasing the requirement to 30% (20% social and 10% moderate income housing). In the Cambie Corridor Plan (2018), specific areas such as the Oakridge Municipal Town Centre allow the development of 100% secured rental buildings with 20% of their floor area designated as social housing to be turned over to the City, or with up to 25% below-market rental housing.

Unique approaches often required the cooperation of the provincial government, and it was clear that some municipalities benefited from these strong relationships. In Montréal and Sherbrooke, the Société d'habitation du Québec (SHQ) runs AccèsLogis, a provincial program supporting the crowdsourcing of public, community, and private resources to create permanent rental housing for low- to middle-income households or permanent housing with supports for seniors. Community groups, non-profit organizations, and public agencies that have the support of the municipality and community (e.g., local charities, public agencies, private companies, or public fundraising initiatives) can apply. Municipalities contribute a share to Accèslogis: Sherbrooke contributes 15% to projects in the region, and aims to add 239 new units from 2016-2019.[4]

The survey participants noted that overcoming the barriers to rental housing provision involved cross-sector collaboration (e.g., Ottawa, Calgary, and Vancouver have established collaborative networks) and communicating the benefits of rental housing to the public (e.g., Edmonton has seen some success in educational events). Most cities still struggle to protect existing rental housing units: the only tool used was a bylaw on condominium conversion, and the units that are most often protected are those initially funded through provincial or federal programs. Although they do a better job of implementing new rental units, most survey respondents noted that even when the city had set targets for new units, they did not meet their targets. Participants in Calgary, Edmonton, Montreal, Vancouver, and Victoria indicated that their city had taken a leadership role, establishing programs, making changes to their zoning plans, and obtaining investments from provincial governments.

A meta-analysis of the case studies (comparing data across the cases) showed that several key factors made a difference in their current practices of protection and implementation, as shown in **Figure 2**.

For municipalities who want to increase their rental housing stock, a starting point could be determining whether they can expend more effort strengthening the factors that are most critical to them. Participants in our Halifax-based policy learning workshops found that many of the ideas from other cities could be integrated, but some were not appropriate in their geographic or political context. For example, the rural parts of Halifax

PROGRAM COMPARISON

UNIVERSAL	COMMON	UNCOMMON	UNIQUE
- Rent supplements - Renovation/rehabilitation programs - Policies encouraging secondary suites	- 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	- Municipal development corporations - Plans emphasizing affordable housing near transit - Housing reserve funds - Land Banks	- Vancouver: Rental 100 Secured Market Rental Housing Policy, Foreign Buyers' Tax, Vacancy Tax By-Law - Saskatoon Rental Developent Program - Province of Québec AccèsLogis Program - Province of Manitoba Rental Housing Construction Tax Credit Program

Figure 1. Policy and program approaches used to protect/implement rental housing.

Key Factor	Description
Policy Intent	Clear goals or targets for protection/implementation of rental units, linked to an implementation strategy or action plan
Policy Strength	Specific and strong wording on protection/implementation, linked to funding or other supports (e.g., technical advice)
Policy Enforcement	Enforcement and monitoring of progress towards goals
Planning Tools	Widespread use of tools (e.g. tax exemptions, streamlined processing of applications)
Collaboration/Partnerships	A high level of collaboration and established partnerships, a major overlap in goals and vision, and very clear roles
Intergovernmental Cooperation	Local plans and policies clearly align with provincial priorities and programs
Municipal Leadership	Strong leadership from a municipal organization/department
Provincial Funding	A wide range of grants and support for protection/implementation (e.g., capital grants, advice for municipal staff, sharing technical expertise)
Renter Vulnerability	Higher than average vacancy rates, few tenants paying 30% or more of their pre-tax income towards rent, low monthly rents, most units in good condition
Regional Preferences	High preference for rental tenure and/or low preference for ownership
Public Support	Strong public support for rental, multifamily, and other dense housing types

Figure 2. Critical success factors in rental housing protection and implementation.

Regional Municipality would not be able to use density bonuses, and lack of trust between governments and private developers has hindered the development of partnerships. Participants felt that roles and responsibilities of the organizations needed clarification, and planning tools could work if they were flexible enough to be used throughout the region. Because capacity is still an issue (most organizations only have one staff person working on housing), a central organization that could provide information to individuals or organizations looking for information on rental housing would be beneficial. Building capacity in the non-profit sector, especially on the financing and development of rental housing, and improving public support for multi-family developments and rooming houses, were considered critical.

While planning tools, by-laws, and programs were critical in rental housing protection and implementation, cities with strong collaboration practices and partnerships tended to have more effective and comprehensive approaches. Discussing goals and values, sharing data and other information, and learning from each other are necessary in the development of municipal policy solutions.

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ENDNOTES
1   R. Thomas, "Resilience and housing choices among Filipino immigrants in Toronto," *International Journal of Housing Policy*, 13(4)(2013): 408-432. DOI: 10.1080/14616718.2013.840112

2   M. Moos, "Generationed" space: Societal restructuring and young adults' changing residential location patterns. *The Canadian Geographer*, 58(1)(2013): 11-33.

3   A. Walks, A. 2013. Income inequality and polarization in Canadian cities: An examination and new form of measurement. (University of Toronto: Cities Centre, 2013) Research Paper 227.

4   L'Office Municipal d'Habitation de Sherbrooke (OMHS). *Programmation de développement* (Sherbrooke, Quebec), 2018. http://omhsherbrooke. qc.ca/information/le-parallele-de-lhabitation-sociale/programmation-de-developpement-2015-2019/ Accessed June 17, 2018. ◼