Rental housing in Canadian cities: Barriers and solutions

WILL ONLY THE STRONG SURVIVE?

Municipal approaches to rental housing in Canada

PHASE I WORKING PAPER

by

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EXECUTIVE SUMMARY

Housing affordability is a major challenge in many Canadian cities. Rental housing is an increasingly important tenure type, but for several decades municipal governments have faced challenges in building new rental units and preserving existing units. The study, "Rental Housing in Canadian Cities: Barriers and Solutions to Implementation", is conducted by Dr. Ren Thomas (Dalhousie University) and Dr. Markus Moos (University of Waterloo), is funded by an Insight Development Grant from the Social Sciences and Humanities Research Council. The study analyzes rental housing policy across 15 Canadian case studies, including plan/policy analysis, a survey, meta-analysis, and a policy learning workshop.

This paper presents results from the first phase of the study (September 2017-May 2019). Using a policy review and a survey of 102 planners, developers, and housing non-profit staff, the cases illustrate a range of policy approaches from common to unique, and insights from municipalities on overcoming barriers to the implementation and protection of rental housing. The results show that municipalities struggle to protect existing rental housing units. Although they do a better job of implementing new rental units, survey participants identified several barriers to both protection and implementation: difficulties with collaboration/partnerships with other levels of government, inflexible government funding programs and inconsistent funding, lack of community support for rental housing. However, many pointed out ways in which they have overcome these barriers in their municipalities, such as increasing collaboration with community partners across a region and working with the provincial government to develop a specific program.

Respondents' advice to other municipalities focuses on stronger partnerships, communication, and coordination; stronger policy language and enforcement; and incentives and policy tools that work for developers. It is clear that some municipalities have taken a leadership role in protecting and/or implementing new rental housing, while others have not. The question is, will those with stronger, more innovative approaches, policy language, funding and incentives be more successful in developing and maintaining their rental housing stock in the future?

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INTRODUCTION

Housing affordability has reached a crisis point in many Canadian cities. Despite increased demand for rental housing, there has been a lack of stable funding and partnerships supporting the development of new rental housing in Canada (e.g. Hulchanski 2007, Oberlander and Fallick 1992, City of Waterloo 2016). Preservation of the existing rental stock is also challenging (Cheung 2017).

Some municipal and provincial governments have integrated a housing continuum approach, which allows them to support everything from emergency shelters to affordable rental to market ownership (e.g. Province of British Columbia 2016, Province of Saskatchewan 2011, City of Waterloo 2016). Households move along the continuum when there are changes in their life cycle, household income, or level of independence; pressure on any one type or tenure or housing along the continuum affects the other types and tenures (e.g. Mouck 2016). Rental housing has emerged as a critical housing and tenure type in the housing continuum now that market ownership is 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 (Thomas 2013). Demographic shifts (Moos 2013) and labour market shifts favouring shorter-term, lower-paying jobs (Mouck 2016, Walks 2013) have also contributed to an increase in demand for rental housing.

However, municipalities experience constant tensions between protecting existing rental housing, building new rental housing, and supporting higher-value housing types and tenures such as luxury condominiums. Even though many municipal housing plans and strategies advocate rental housing (e.g. Housing and Homelessness Partnership 2015) and programs are in place to facilitate the retention of units (Housing Nova Scotia 2016), the reality is that very little has been built. For municipalities, preserving existing affordable rental units can be problematic for several reasons. First, the higher a property's land value, the more revenue the municipality can collect. Property taxes are the main source of income for municipal governments, so local councils often opt for redevelopment, resulting in more households and a higher-value building on a given site. In these circumstances, even non-profit housing associations face barriers in

maintaining their current stock (Salah 2017). Second, many of the low-income neighbourhoods in Canadian cities are located in central parts of the city that have recently experienced a renaissance (e.g. Roth and Grant 2015), creating increased competition for housing and contributing to gentrification. Third, political will to protect or support rental housing is often weak: municipalities either lack the tools needed to protect existing rental housing from redevelopment, or are unwilling or unable to use them; existing programs may not offer enough incentive for developers to build new rental properties instead of condominiums.

There have been some recent municipal, provincial and federal efforts to support the development of both market and affordable rental housing (e.g. units where tenants pay less than 30 percent of their income towards rent). The National Housing Strategy has resulted in two new programs to support rental housing in municipalities. Funding to repair 240,000 affordable and social housing units and remove 530,000 households from core housing need may also improve rental supply (Government of Canada 2017). In 2008, the City of Saskatoon adopted its first Housing Business Plan, which surpassed its goal of developing 2,500 units of affordable housing, and a new ten-year Housing Business Plan (2013-2022) introduced rental construction incentives.

Policy tools differ in their direct cost and benefit to a municipality (OPPI 2001): inclusionary zoning, density bonusing, secondary suites, demolition control, and infill development have low direct costs to municipalities and are highly effective, while housing levies, grants and loans, and direct provision of loans have both high direct costs and high benefit. Financial tools are more expensive to implement than regulatory and planning measures, though it may be difficult to adopt alternative planning standards or implement inclusionary zoning in rural or suburban areas of metropolitan areas (Halifax Regional Municipality 2004). For the production of low-end rental housing, the most effective fiscal tools have been the use of municipally owned land, affordable housing trust funds, and waiving development fees; the most effective regulatory measures have been official plans, inclusionary policies, density bonusing, developer agreements, reductions in parking requirements, and secondary suites (Metro Vancouver Regional Housing 2012).

This study aims to explore how cities have, or have not, overcome barriers to developing and protecting rental housing across Canada. It will develop more generalizable findings on barriers and solutions through meta-analysis of case studies than can be found in a single case study (e.g. Thomas and Bertolini 2014). These findings can then be used to facilitate policy learning among local stakeholders in rental housing development; learning from “strong” and “weak” cases is critical to policy development and innovation in planning. This paper focuses on the results from Phase 1 of the study, in which 15 case studies were developed using policy analysis and a survey. Phase 2 of the study, currently underway, includes a meta-analysis of the case studies and a policy learning workshop where policy ideas from the case studies will be used to generate new policy ideas in a local municipality. The paper is organized into four sections: methods, results of the policy analysis, survey results, and discussion/conclusion.

METHODS

The 15 case studies were chosen for their population size and range of approaches to rental housing policy, plans, and programs (from minimal, standard approaches to advanced, unique approaches). The cities range in population size from 200,000 to 4.0 million; all are Census Metropolitan Areas (CMAs) except for Mississauga, a Census Subdivision of the Toronto CMA. The cities can be broken down 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

Compiling the case studies during Phase I of the study (September 2017-October 2018) involved three methods.

First, demographic profiles of each city were created, mostly using the 2016 Census of Canada Community Profiles (Statistics Canada 2017). The 2017 Fall CMHC Rental Market Reports (CMHC 2017) provided the market rental vacancy, private apartment average rent, private apartment average turnover rate, and number of secondary market rental units. The federal Investment in Affordable Housing per province is listed on the Canada Mortgage and Housing Corporation website (CMHC 2018).

Second, publicly available official plans, housing strategies, and municipal by-laws were used to determine the policies specific to rental housing protection and implementation. Because municipal housing provision relies upon provincial governments, provincial housing strategies and funding programs were also included.

Third, a survey of municipal planners, developers, and non-profit housing developers involved in rental housing provision was conducted, providing firsthand insights into the municipal approaches, e.g., aspects of implementation or the success of key policies, which are not available in publicly available documents.

These three methods resulted in 15 completed case studies. The results are presented below, focusing on policy approaches across cases.

RESULTS

Demographic Profiles

The demographic profiles in Table 1 show the range of population sizes and housing characteristics in the 15 cities. Renting represents a significant component of the housing market: the median percentage of renter households across the cities is 32 percent. The real outlier is Montreal, in which 66 percent of households are renters, but there are also outliers in the small to mid-size cities: Halifax and Sherbrooke have much higher percentages of renters than the median at 40 percent and 44 percent respectively.

Affordability, suitability, and adequacy are the three characteristics that CMHC uses to determine the percentage of households in core housing need. Affordable housing costs less than 30 percent of the household's gross income. Suitable units have enough bedrooms for the size of the household according to National Occupancy Standards, and adequate housing requires no major repairs according to the residents. Households in core housing need fall below one of the affordability, suitability, or adequacy standards *and* would have to spend more than 30 percent of gross income to pay the median rent in their local area. Judging from the relatively low percentage of households in core housing need across the 15 case study cities (7.2 to 15.3 percent), the vast majority live in housing that is suitable and adequate, but a significant proportion (particularly renter households) live in housing that is not affordable. Mississauga has the highest percentage of households paying more than 30 percent of their gross income towards housing (25.7 percent), with Vancouver a very close second at 25.4 percent. Mississauga also has the highest percentage of tenant households paying more than 30 percent of their gross income towards housing (46.3 percent), with Regina coming in second at 45.3 percent.

The last four rows in Table 1 use data from CMHC's Rental Housing Reports from Fall 2017. The median vacancy rate for the 15 cities was 2.4 percent. In this case, it is useful to consider the three categories of cities. For the small to mid-sized cities the median was 5.3 percent, ranging from 0.7 percent in Victoria to 9.6 percent in Saskatoon. For mid-sized cities, the vacancy rate was just 2.3 percent, ranging narrowly from 0.9 in Mississauga to 2.4 percent in Hamilton. For

the large cities, the median was 2.8 but there was a much broader range from 0.9 percent (Vancouver) to 7 percent (Edmonton).

This demographic variation across cities, including very low vs. very high vacancy rates and very high vs. very low affordability, likely contributes to the broad variety of policy approaches presented in the section following Renter Vulnerability (Policy Approaches to Rental Housing).

	Calgary, AB	Regina, SK	Sherbrooke, QC	Windsor, ON	Winnipeg, MB	Montreal, QC	Ottawa, ON	Mississauga (CSD)	Hamilton, ON	Victoria, BC	Vancouver, BC	Waterloo, ON	Edmonton, AB	Saskatoon, SK	Halifax, NS
Population	1,392,609	236,481	212,105	329,144	778, 489	4,098,927	1,323,783	721,599	747,545	367,770	2,463,431	523,894	1,321,426	295,095	403,390
Rental (%)	27	30	44	28	33	66	33	25	30	36	36	32	30	30	40
Ownership (%)	73	70	56	72	67	34	67	75	70	63	64	67.9	70	70	60
Median after-tax individual income 2015 ($)	39,003	38,371	28,534	30,221	31,505	29,665	36,258	28,899	32,073	33,302	29,422	32,331	38,900	36,328	31,754
Households paying more than 30% (%)	22	22	21	22	21	15.5	13.4	25.7	16.8	19	25.4	23.5	15.1	14.4	12.9
Tenant households paying more than 30% (%)	36.6	45.9	33.7	44.7	39.5	36	40.6	46.3	45.2	44.3	43.5	42.3	37.7	44.7	43.3
Tenant households in subsidized housing (%)	9.9	19.7	8	18.2	18.1	8.1	14.3	14.7	14.2	12.1	13.1	12.1	10.3	15.9	8.3
Core housing need (%)	11.3	13.3	7.2	11.7	12.1	10.9	11.9	15.3	13	14.2	17.6	11.4	12.3	11.8	13.7
Market rental vacancy	6.3	7	5.3	2.4	2.8	2.8	1.7	0.9	2.4	0.7	0.9	1.9	7	9.6	2.3
Private apartment average rent ($)	1,128	1,026	618	772	970	766	1,113	1,268	1,020	1,072	1,296	1,040	1,101	999	1,027
Private apartment average turnover rate (%)	35.6	36.2	25.7	26.7	26.7	17.0	23.5	n/a	17.1	17.5	13.9	20.6	34.6	37.0	23.9
Secondary market rental units (% of condominiums)	34	20.4	n/a	n/a	n/a	17.0	30.3	20.0	18.2	24.1	25.8	30.3	38.2	25.3	24.1

Table 1. Demographic profiles of the 15 case study cities.

Notes:
Mississauga was the only the Census Subdivision used.
The last four variables in the table come from the CMHC Rental Market Reports for Fall 2017.
The Core Housing Need from the 2016 Census was not available for the Mississauga CSD. This value comes from the 2011 National Housing Survey.

Renter Vulnerability

The previously mentioned factors, which represent what renters in each city have to contend with, were comparatively ranked. Note that the top ranking represents the city where renters are most vulnerable. In other words, based on the analysis of these factors, cities ranked lower had lower renter vulnerability.

Overview

Mississauga ranked 1st in renter vulnerability. Given the city's renters were 2nd most vulnerable for three of the four factors considered, the top ranking was likely. Counter to that was Sherbrooke, which ranked 15th overall, whose renters were considered least vulnerable of all cities in three of the four factors. Small and mid-sized cities were distributed throughout the rankings. Large cities steered more towards lower vulnerability, with only two being within the top 10 overall. However, each of the city classifications (small, mid-sized, large) held a top three spot. An illustration of where each city ranked in relation to each other can be found on the page that follows (Figure 1).

Rank

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15

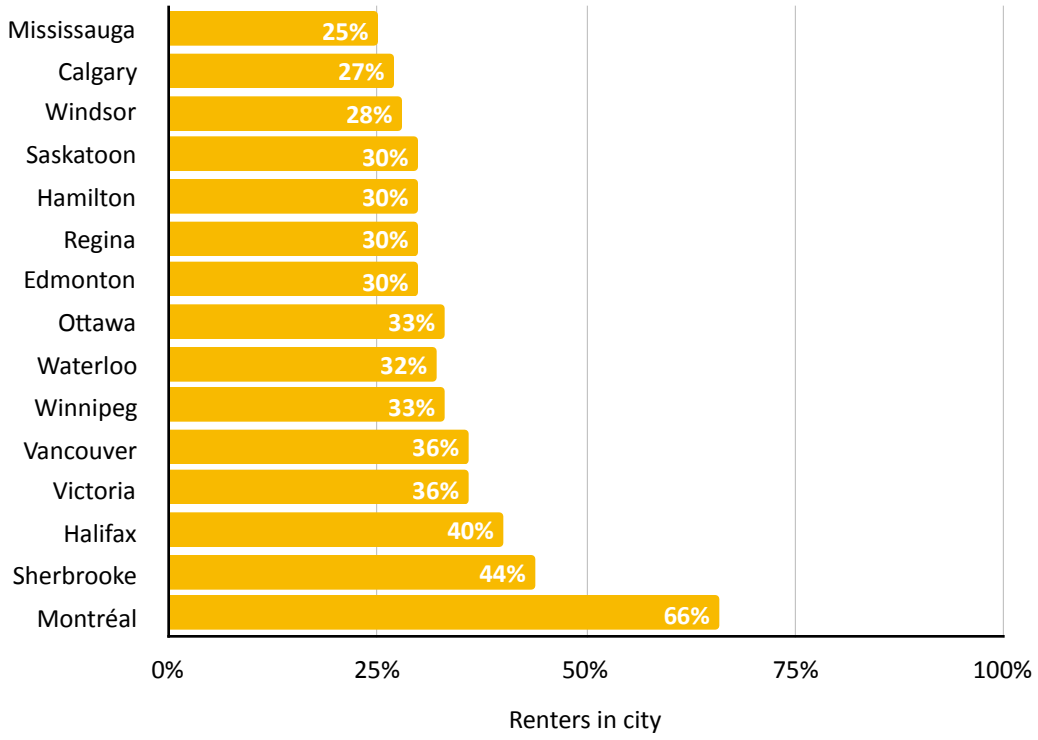
Average monthly rent	Households spending over 30% of income on rent and utilities	Core housing need	Vacancy	OVERALL RANK		
Sherbrooke	Sherbrooke	Sherbrooke	Saskatoon	15	**Sherbrooke**	small
Montréal	Montréal	Montréal	Edmonton	14	**Montréal**	large
Windsor	Calgary	Calgary	Regina	13	**Calgary**	large
Winnipeg	Edmonton	Waterloo	Calgary	11	**Saskatoon**	small
Saskatoon	Winnipeg	Windsor	Sherbrooke	11	**Winnipeg**	mid-size
Hamilton	Ottawa	Saskatoon	Montréal	10	**Edmonton**	large
Regina	Waterloo	Ottawa	Winnipeg	9	**Windsor**	small
Halifax	Halifax	Winnipeg	Hamilton	8	**Waterloo**	mid-size
Waterloo	Vancouver	Edmonton	Windsor	7	**Regina**	small
Victoria	Victoria	Hamilton	Halifax	6	**Ottawa**	large
Edmonton	Saskatoon	Regina	Waterloo	4	**Halifax**	mid-size
Ottawa	Windsor	Halifax	Ottawa	4	**Hamilton**	mid-size
Calgary	Hamilton	Victoria	Vancouver	3	**Victoria**	small
Mississauga	Regina	Mississauga	Mississauga	2	**Vancouver**	large
Vancouver	Mississauga	Vancouver	Victoria	1	**Mississauga**	mid-size
Average monthly rent	Households spending over 30% of income on rent and utilities	Core housing need	Vacancy	OVERALL RANK		

Data adapted from: CMHC Rental Market Reports (2017); Statistics Canada 2016 Census of Canada Community Profiles (2017a).

Figure 1: Illustration of city ranking by variable

Percentage of Renters

All cities considered, the average proportion of renters was 35 percent. Figure 2 shows how the cities compare to each other in percentage of renters. Montréal (66 percent) has the highest percentage of renters of all the cities reviewed. Mississauga had the lowest percentage at 25 percent. This factor was measured as a means of gauging the percentage of the population that can be affected by changes in the rental market. Note that the percentage of renters was not considered in the overall ranking. This was done to avoid penalizing or rewarding cities based on this variable. Results from Montréal, Sherbrooke (44 percent) and Halifax (40 percent) show that there are large proportions of the population in these cities relying on rental as their form of shelter.



Data adapted from: Statistics Canada 2016 Census of Canada Community Profiles (2017a).

Figure 2: Proportion of renters in each city

Average Monthly Rent

Vancouver ($1,296) and Mississauga ($1,268) hold the top two spots respectively for average monthly rent. Sherbrooke ($618) and Montréal ($766) have the lowest rents of the cities. The average monthly rent for all cities was $1014.40. This measure relates to the average cost of a private apartment. This was the first measure included in the overall ranking of the cities.

Housing Affordability

In considering housing affordability, two measures were reviewed, households spending over 30 percent of income on shelter and the percentage of households in core housing need. Affordability is measured at spending less than 30 percent of income before tax on shelter costs. Core housing need accounts for households in unsuitable, inadequate or unaffordable housing, with income levels that prevents them from acquiring suitable alternatives (Statistics Canada, 2017b). The results show affordability to be a major issue affecting cities. Only five cities, Sherbrooke, Montréal, Calgary, Edmonton and Winnipeg, have a percentage below 40 percent of renters in unaffordable situations. The remaining cities range from Ottawa (40.6 percent) to Mississauga (46.3 percent). Further, Sherbrooke (7.2 percent) is the only city to have a core housing need percentage below 10 percent. The remaining cities range from Montréal (10.9 percent) to Vancouver (17.6 percent).

Vacancy Rate

Low vacancy rates have been tied to rising costs of rental housing. This factors in that with rising demand and declining or plateaued supply, rents rise as a consequence. The vacancy rate in Canada recently declined to 2.4 percent. This presents another concern for cities. Although there is concern over the national average decline, the majority of the cities are operating within a similar or more scarce scale. Six of the 15 cities fall below the 2.4 percent threshold. Hamilton and Windsor have vacancy rates equivalent to that of the national average. Though vacancy rates in Winnipeg and Montréal are 2.8 percent, this is still below the previous 3 percent average. Those cities that exceed the Canadian average range from 5.3 percent in Sherbrooke to 9.6 percent in Saskatoon.

Small Cities

The proportion of renters for small cities ranged from Windsor (28 percent) to Sherbrooke (44 percent). Average monthly rent ranged from $618 in Sherbrooke to $1,072 in Victoria. For spending over 30 percent on shelter costs, there was an 11 percent difference between the most vulnerable and least vulnerable cities, Regina (45.9 percent) and Sherbrooke (33.7 percent). Core housing need ranged from 7.2 percent (Sherbrooke) to 14.2 (Victoria). Finally, vacancy rates ranged from incredibly low (0.7 percent in Victoria) to much higher than the national average (9.6 percent in Saskatoon).

For small cities, Sherbrooke, Québec shows the most potential in terms of catering to renters. The highest percentage of renters of the small cities can be found in Sherbrooke. With 44 percent of renters, it also has the lowest average monthly rent ($618). In that vein, it boasts the lowest percentage of its renters in core housing need and the percentage spending over 30 percent of income on rent and utilities. The most vulnerable city for renters is Victoria, British Columbia which has the lowest vacancy rate of all cities (0.7 percent) and high core housing need statistics (14.2 percent).

Mid-sized Cities

The range of renters for mid-sized cities stretched from Mississauga (25 percent) to Halifax (40 percent). Average monthly rent ranged from $970 in Winnipeg to $1,268 in Mississauga. For spending over 30 percent on shelter costs, Mississauga (46.3 percent) was most vulnerable and Winnipeg (9.5 percent) the least. Core housing need ranged from 11.4 percent (Waterloo) to 15.3 percent (Mississauga). For small cities, the proportions of renters in core housing need is the highest in mid-sized cities. Only one of the cities (Waterloo) ranked outside of the top ten for this factor. Finally, vacancy rates were quite low in mid-sized cities. The rates ranged from 0.9 percent (Mississauga) to just above the national average (2.8 percent in Winnipeg).

In mid-sized cities, Winnipeg, Manitoba may have the most favourable conditions for its rental population. Despite a 2.8 percent vacancy rate, the city has the lowest average monthly rent ($970) of mid-sized cities and the lowest proportion of tenant households in unaffordable living

situations. Least favourable for renters is Mississauga, Ontario. For all four factors, the city was considered most vulnerable. However, it should be noted that Mississauga has the lowest proportion of renters of all cities.

Large Cities

Of the large cities, Montréal, Québec most favours renters. This is reflected in the large proportion of renters (66 percent) and low average rent ($766). Additionally, they have the lowest percentage of tenant households in both of the measured unaffordable housing conditions. It also placed well in the overall ranking at number 14. The city is second best only to Sherbrooke, which is also in Québec. Although it has a low percentage of renters, Calgary (27 percent) also favoured well in the overall ranking (13). However, that it has the 3rd highest average rent of all cities should be considered. Of greatest concern may be Vancouver, British Columbia. With the second largest percentage of renters and 4th largest overall at 36 percent, it has the highest average rent and the second lowest vacancy rate. Additionally, amongst the large cities, it has the highest proportion of its rental population in unaffordable housing conditions. This is for both spending greater than 30 percent of income on shelter (43.5 percent) and the percentage in core housing need (17.6 percent). A prevalent issue for large cities is the average monthly rent. With the exception of Montréal, the average monthly rent for large cities exceeded $1,100. However, vacancy rates do not provide clear justification. Vancouver (0.9 percent) and Ottawa (1.7 percent) have very low vacancy rates and high average monthly rents at $1,296 and $1,113 respectively. However, Edmonton (7 percent) and Calgary (6.3 percent) both have vacancy rates exceeding the national average (2.4 percent), and the average monthly rents are $1,101 and $1,128.

Policy Approaches to Rental Housing

Policy approaches to protect existing and implement new rental housing in the case study cities can be grouped into four categories:

- Universal approaches: rent supplements and renovation/rehabilitation programs that allow units to remain affordable, and policies encouraging secondary suites
- Policies common to some municipalities: condominium conversion policies, reduction/elimination of development fees for affordable housing, capital grants for new rental units, sale of municipal land for affordable housing, inclusionary zoning, and property tax exemptions
- Uncommon policies: municipal development corporations, plans/strategies emphasizing building affordable housing near public transit and services, housing reserve funds, and land banks
- Completely unique policy approaches

Each of these categories will be explained more fully in this section, highlighting the range from standard, basic approaches to more advanced, unique approaches.

Category 1: Universal

Rent supplements

All of the cities offer rent supplements to low-income tenants via application, because funding comes through CMHC to the municipal/regional governments. A unique twist on this is Sherbrooke's joint program with the Province of Québec, Habitation à loyer modique, which partners with non-profit organizations, municipal housing departments, and co-operatives to offer a rent-geared-to-income program for low-income households, allowing them to pay just 25 percent of their income towards rent, not including utilities. In Sherbrooke alone, the program supports households living in 1,158 units of public and 88 units of private rental housing (OMHS

2018a). In Montreal, 20,810 public housing and rooming house units are funded through the program (OMHM 2018).

Renovation/rehabilitation programs

Most cities have programs through CMHC and their provincial governments that allow renovations to units that will remain affordable. More advanced programs include rooming house rehabilitation assistance (Halifax, Winnipeg, Sherbrooke), secondary suite renovation (Edmonton, Mississauga, Sherbrooke), and residential adaptation for people with disabilities (Calgary, Winnipeg, Ottawa, Hamilton). In Winnipeg, the Province of Manitoba funds the Rooming House Assistance Program, which aims to bring units up to health and safety standards. Windsor's Social Housing Apartment Retrofit pilot program is funded by proceeds from the Province of Ontario's carbon market, and must be used to reduce greenhouse gas emissions through retrofits to high-rise apartment buildings over 150 units in size. In Montreal, the City and Province coordinate their subsidy programs for the renovation of rental housing and rooming houses.

Policies encouraging secondary suites

Secondary suites provide a relatively easy supply of rental units in existing neighbourhoods because they are usually located within existing single-family houses, but they have faced resistance in many cities. Some municipalities have very weak policies supporting secondary suites. Windsor just approved secondary suites in 2018. Mississauga has allowed them since 2009, but recently simplified the process and regulations for creating secondary suites (City of Mississauga 2017); their regional government only introduced grants to renovate secondary suites in 2015. Calgary made secondary suites a discretionary land use across most of the city and streamlined the approval process in 2018 (Dippel 2018). Vancouver allows secondary suites in all single-family and multiple-unit areas of the city.

More advanced approaches are seen in four cases. In Winnipeg, the Province of Manitoba's Secondary Suites Program provides forgivable loans for 50 percent of the construction and renovation costs up to a maximum of $35,000 to create units for individuals with incomes below the low-income threshold set by the Province. Homeowners enter a ten-year agreement with

the Province. Victoria allows secondary suites in most single-family zones in the City, offers homeowners grants of 25 percent of the construction costs up to a maximum of $5,000, and publishes guidelines and details of the process on their website (City of Victoria 2018). Saskatoon's program provides up to 50 percent of the cost of new secondary suites up to a maximum of $30,000. 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 percent of renovations up to a maximum of $20,000 (City of Edmonton 2011).

Category 2: Common to Some

Condo conversion policies

Provincial condominium acts regulate the development of condo units in the municipalities, but 13 of the 15 cases (all except Calgary and Edmonton) also have their own policies regulating the conversion of rental buildings to condominiums, usually in their official plans. The policies vary in strength in terms of their protection of rental units. Regina and Sherbrooke merely ask developers to mitigate hardship on existing tenants; Winnipeg, through the Manitoba Condominium Act, requires consultation with tenants and the option for them to buy the unit or stay on as tenants.

Stricter policy wording is seen in four cases. Windsor does not allow conversion unless the rental vacancy rate is higher than 3 percent. In Hamilton, the vacancy rate must be higher than 2 percent before rental units are converted to a condo, and it must remain at 2 percent afterwards. Hamilton introduced a two-year moratorium on condo conversions after its vacancy rate plummeted to 1.6 percent in 2014 and it lost nearly 2,000 units of rental housing from 2005-2015 (Bennett 2015). In Saskatoon, if the vacancy rate is below 1.5 percent in the latest CMHC Rental Market Survey, conversion will not be allowed unless the building has been vacant for 12 months or the property has been deemed to be dangerous to the public health or safety, depreciates the value of other land in neighbourhood, or 75% of the tenants approve the conversion. Tenants must have an option to purchase, and can live in the building for up to two

years after conversion (City of Saskatoon 2011). Windsor give tenants the right of first refusal and allows tenants to occupy the unit for a maximum of two years after the condominium conversion registration.

Four cities have even more advanced protection tools. The City of Vancouver prioritizes protection of its rental stock through the Rental Stock Official Development Plan, which requires that redevelopment projects with three or more dwelling units replace every demolished rental unit or contribute to the replacement of the units. The units can be on or off-site and can be rental or another form of affordable housing (City of Vancouver 2018e). The City of Mississauga takes a similar approach in its new Rental Protection By-Law (2018). In Montreal and Sherbrooke, conversion of rental properties is prohibited if the property is owned by a housing co-operative, non-profit organization or municipal housing corporation.

Reduction/elimination of development fees for affordable housing

Many of the case study cities have reduced or even eliminated fees for developers or non-profit organizations submitting affordable housing proposals, e.g. Ottawa, Winnipeg, Sherbrooke, and Regina. In the Region of Waterloo, Hamilton, and Calgary, grants or fee rebates offset development fees. Calgary's Housing Incentive Program grants $50,000 for pre-development fees associated with an affordable housing project, and a rebate on all city fees associated with an affordable housing project, supported by the City's Community Economic Resiliency Fund. Under its Rental 100: Secured Market Rental Housing Policy, the City of Vancouver waives development cost levies for the residential portion of a new housing project if it is 100 percent rental tenure, and its rents are under below CMHC's average rents for the CMA. The Moderate Income Rental Housing pilot program introduced in 2017 waives development cost levies if 100 percent of the units are rental and at least 20 percent of the units have rents affordable for those earning between $30,000 and $80,000 per year (City of Vancouver 2018c). There must be a mix of unit types (25 percent studio, 40 percent 1-bedroom, 35 percent 2- and 3-bedroom). In three cities, policies eliminating fees are more advanced. In Ottawa the Municipal Housing Facilities By-law allows the city to forgive development fees for projects with rents no higher than the CMHC Average Market Rent and a minimum of 60 percent of the units are affordable to lower income families, which are guaranteed to remain affordable for a minimum of 20 years

(City of Ottawa 2018). Edmonton rebates municipal fees and charges for projects that provide low-rent units, or a portion of low-rent units, if long-term affordability is provided. The City of Hamilton offers reduced fees for non-profit housing corporations or co-operatives building housing that is affordable to low- and moderate-income households, if the land will be owned or leased by the non-profit for a minimum of 20 years (City of Hamilton 2018).

Capital grants for new rental units

These grants are usually tied to income thresholds, either set by CMHC or the province in which the case study city is located. Regina's Housing Incentives Program includes capital grants of up to $25,000 per unit for new below market rental developments, as long as the units are for those with incomes below the Maximum Income Threshold determined by the Province of Saskatchewan and rents are below 30 percent of gross income, and they remain so for five years. This program is funded through the Social Development Reserve (City of Regina 2018). The City of Vancouver offers capital grants to non-profit developers. In the Region of Waterloo, capital grants are available for non-profits and developers who will keep units affordable for at least 25 years; these grants created 1,535 new affordable rental units from 2001-2018 (Region of Waterloo 2018). The City of Saskatoon allocated $404,109 in capital grants for purpose-built rental, affordable ownership, affordable rental, secondary suites, and entry level ownership units in 2016 (City of Saskatoon 2017a); the City allocated $370,000 in the 2018 budget. Edmonton, Ottawa, Saskatoon, and Winnipeg offer innovative grants through partnerships with their provincial governments. The Action Ottawa program includes capital grants of up to $60,000 per unit through the federal and/or municipal government, provided that the development has rents no higher than the CMHC Average Market Rent and a minimum of 60 percent of the units are affordable to lower income families, which are guaranteed to remain affordable for a minimum of 20 years. Saskatoon's Rental Development Program, in partnership with the Province of Saskatchewan, provides up to 70 percent of the cost of new affordable rental units (Saskatchewan Housing Corporation 2017). The City of Saskatoon's New Rental Land Cost Rebate Grant encourages the construction of new market rental units, provided they remain affordable rental units for 15 years; 400 units were to be completed in 2017. Through the Province's Rental Construction Initiative, Saskatoon can obtain up to $5,000 per new purpose-built rental unit. Winnipeg's capital incentive for new rental housing through the

Province of Manitoba, which granted a tax credit of 8 percent of the cost of the building or $12,000 per unit if at least five units were created and at least 10 percent of the units had rents below a defined affordable level, ran from 2013-2018 (REMI Network 2018).

Sale of municipal land for affordable housing

Nine of the case study cities allow municipal land to be used for affordable housing. Alberta's Municipal Government Act allows the use of municipal or school reserve land for inclusionary zoning; Calgary sold seven sites to non-profit housing providers in 2017. Edmonton will use its surplus school sites for permanent supportive housing (Riebe 2018).

Inclusionary zoning

Requiring developers to build a percentage of affordable units in new developments is a more complex and controversial approach, yet it is used in eight of the case study cities. Alberta's Modernized Municipal Government Act (2018) allows Calgary and Edmonton to include inclusionary housing in their land use by-laws; Edmonton's city-wide affordable housing framework recommends that all neighbourhoods in the city have 16 percent affordable housing (Riebe 2018). In Quebec, inclusionary zoning is permitted through the Planning and Development Act and in Montreal all new large residential developments, a minimum of 30 percent of units must be affordable (Ville de Montreal 2006). The Province of Manitoba's Planning Act was amended in 2013 to authorize the use of mandatory inclusionary zoning in municipal zoning by-laws and the Winnipeg Charter was modified the same year (Government of Manitoba 2013). The Province of Ontario's Promoting Affordable Housing Act was amended in 2018 to allow municipalities to add a requirement for development proposals to include affordable housing to their official plans. Ottawa's Official Plan states that 25 percent of all new rental housing is to be affordable to households up to the 30th percentile. In Hamilton, when developing city owned lands for residential purposes, Council may require that at least 25 percent of the gross area of the land be affordable housing.

Vancouver has a particularly advanced application of inclusionary zoning and density bonusing. Their current policy requires 20 percent 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 percent (20 percent social and 10 percent moderate income housing). The City's Community Amenity Contributions, required by developers when Council grants development rights through the rezoning process, help the city pay for new community infrastructure such as schools, libraries, and community centres located in the new development. In the Cambie Corridor Plan (City of Vancouver 2018), specific areas such as the Oakridge Municipal Town Centre allow the development of 100 percent secured rental buildings with 20 percent of their floor area designated as social housing to be turned over to the City, or with up to 25 percent below-market rental housing.

Property tax exemptions

Seven of the case study cities exempt property taxes for non-profit housing providers. In Calgary this is supported through the Alberta Municipal Development Act. Regina's Housing Incentives Program includes tax exemptions for new below market rental housing developments, or newly created secondary suites that will be rented. Victoria's Permissive Tax Exemption Policy (2012) allows specific affordable rental housing projects to be considered for property tax exemptions for a maximum of 10 years. In Saskatoon, the New Rental Construction Land Cost Rebate Program includes a five-year incremental property tax abatement for new rental projects that will remain rental units for at least 15 years (City of Saskatoon 2018a).

Category 3: Uncommon

Municipal development corporations/non-profits

Hamilton, Victoria, Vancouver, and Saskatoon have taken on the role of developer on projects including affordable housing. CityHousing Hamilton, the corporation owned and operated by the City of Hamilton, owns and operates 7,136 units, which house over 13,000 residents. Most of their housing is rent geared to income (82 percent), with the remaining 18 percent market rent units; projects are a mix of renewal, redevelopment of existing, or development of new affordable housing.

Victoria's Capital Region Housing Corporation is a non-profit corporation owned by the Capital Region District that develops and manages 1,280 units of affordable housing. Among other goals, CRHC aims to explore land acquisition and development opportunities and to increase the number of units in close proximity to multi-modal transportation and other infrastructure (Capital Region Housing Corporation 2015).

Vancouver's Affordable Housing Agency was founded in 2016 to deliver new, below-market rental housing on city-owned land with funding from public, private, and community partners. One of its first projects was the temporary modular housing program, introduced in 2017, which was able to house homeless residents with supports until they can transition into permanent affordable housing. The projects can be built in as little as 90 days and are managed by non-profit housing operators in partnership with BC Housing, which provided $291 million for 2,000 modular housing units and $170 million for 24/7 support staff in the units (City of Vancouver 2018d). VAHA aims to produce 2,500 new affordable rental units by 2021 and as of June 2018 had 2,288 units under development.

Saskatoon Land functions as the city's land development arm, producing affordable housing and contributing to the city's affordable housing reserve fund, as well as generally developing and servicing land and redeveloping greyfield sites. In 2017 Saskatoon Land allocated $500,000 to affordable housing capital projects and $15.9 million to the city's Affordable Housing Reserve (City of Saskatoon 2017b).

Plans/strategies emphasizing building affordable housing near public transit

Households with low incomes who require affordable housing usually have lower than average car ownership, yet very few of the case study cities have tools encouraging new rental housing or preservation of existing rental housing near public transit. Waterloo Region municipalities are struggling to encourage affordable housing along rapid transit lines as developers begin to take advantage of the increased accessibility of currently underused sites (Bueckert 2017). One of the principles of Edmonton's Community Plan on Housing and Supports is that, "The location of housing is based on integrated planning for efficient land-use that considers access to necessary amenities like transit and support services…" (Edmonton Community Plan Committee 2011, 22). In Montreal's inclusionary housing strategy, their definition of affordable (households paying

less than 30 percent of their gross income towards housing) is moderated by the fact that the housing unit must be appropriately sized for the household and must be located "within reasonable distance of employment, essential services and transportation" since "an affordable dwelling is not truly affordable if its location requires significant transportation costs." (Ville de Montreal 2006, 2).

The City of Vancouver has raised the issue of creating more rental housing near transportation hubs (City of Vancouver 2017). The Housing Vancouver Strategy (2018d) prioritizes market and below-market rental housing on or adjacent to the region's Frequent Transit Network and suggests places where low-density areas near transit can be redeveloped. The City of Vancouver's Affordable Housing Choices Policy aims to encourage innovation in ground-oriented and mid-rise housing types. It aims to produce projects that are up to six stories in height, located on an arterial street on Vancouver's Frequent Transit Network, and meet one of the affordability criteria: supplying 100 percent rental housing, selling units at 20 percent below market value, including a mechanism that ensures affordability over time (e.g. resale covenant), using an innovative model like co-housing where affordability will be enhanced, or using a Community Land Trust (City of Vancouver 2018a). The policy is supported by the City's Affordable Housing Choices Interim Rezoning Policy, approved in 2012 and updated in 2018 to include projects that are 3.5 stories and within 100m of an arterial street served by public transit (City of Vancouver 2018a).

Housing reserve funds

Only Victoria, Vancouver, and Saskatoon have housing reserve funds that are used for the development of affordable housing. In Victoria, applicants to the fund must be, or partner with, a non-profit housing society which will own and operate the units (City of Victoria 2018). Housing must be affordable for low income households as defined by BC Housing or moderate income households (below the Victoria CMA median income), and projects be either affordable rental or ownership. In Saskatoon, the reserve fund was set up in 1987 to provide a 5 percent municipal contribution to federally and provincially-funded social housing projects, which was later increased to 10 percent for a wider range of affordable housing projects. The funds were raised through the sale of City-owned lands. From 1987-2007, the $14.4 million in contributions

to the housing reserve fund supported 2,400 new housing units (a mix of transitional, affordable rental, affordable ownership, and market level rental units). The reserve fund also funds housing research and demonstration projects (City of Saskatoon 2018b). In the Vancouver CMA, most municipalities have housing reserve funds: Burnaby, North Vancouver, Richmond, Surrey and Vancouver are actively using theirs to build affordable housing (Metro Vancouver Regional Housing 2012).

Land banking

Saskatoon, Victoria, and Montreal are the only three case study cities that decided to buy and retain land for municipal purposes decades ago, and are slowly using this land to develop affordable housing. In Victoria, the Capital Region District established a land banking and housing service, and the Capital Housing Region Corporation, in the 1970s (Capital Region District 2018). Saskatoon's land bank has been active since the 1920s and was formalized in 1954. It is self-financing through an administrative fee on all sales (City of Saskatoon 2018b). Montreal's land bank has resulted in the construction of tens of thousands of social and community housing units, though the quantity of land it currently owns is limited (Ville de Montreal 2006).

Category 4: Unique

A number of case study cities in the sample can be considered true leaders in building new rental units, with unique policy approaches. Vancouver has been very successful at building new rental units, with over 4,000 purpose-built rental units completed from 2010-2018 (City of Vancouver 2018d, 25). The City of Vancouver's Rental 100: Secured Market Rental Housing Policy encourages rental housing development by providing a number of incentives to developers: reduced parking requirements for developments with secured market rental housing for a term of 60 years or the life of the building (through a housing agreement), relaxation of unit size to 320 square feet, no development fees, additional density where 100 percent of the residential floor space is rental, and concurrent processing of development applications for those requiring rezoning (City of Vancouver 2018b). The City's Moderate Income Rental Housing Pilot Program allows the same incentives if 100 percent of the units are rental

and at least 20 percent of the units have rents affordable for those earning between $30,000 and $80,000 per year (City of Vancouver 2018c). There must be a mix of unit types (25 percent studio, 40 percent 1-bedroom, 35 percent 2- and 3-bedroom). About 8,000 of the 42,000 housing units built in the city since 2007 have been rentals, or 19 percent (Bula 2017). Vancouver instituted the country's first Foreign Buyers' Tax in 2016 to try to bring units that were unoccupied into the secondary rental stock. The City's Vacancy Tax By-Law, introduced in 2017, also aims to motivate owners to rent out their empty or underused properties. Saskatoon has been very proactive in creating new rental housing, exceeding its 2016 target for purpose-built rental units (300 units were built, well over the target of 178) and secondary suites (56 were built, substantially higher than the target of 40 units), and meeting its target for affordable rental units (32) (City of Saskatoon 2017a). From 2008 to 2012, the City exceeded its target of 2,500 affordable housing units, producing 2,354 units (City of Saskatoon 2013). Cooperation and coordination with provincial programs have been key to this success: Saskatoon's Rental Development Program (in partnership with the Province) provides up to 70 percent of the cost of new affordable rental units.

In Montreal 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, public fundraising initiatives) can apply. Municipalities contribute a share to AccèsLogis: Sherbrooke contributes 15 percent to projects in the region, and aims to add 239 new units from 2016-2019 (OMHS 2018b).

In Winnipeg, Manitoba's Rental Housing Construction Tax Credit Program allows corporations, non-profit organizations, non-profit housing cooperatives, and limited dividend companies that generate five or more rental units, where at least 10 percent are affordable, to earn tax credits. The tax credit amounts to 8 percent of the capital cost of a project or $12,000 per unit, whichever is less, and at least 10 percent of the units must remain affordable for five years. The Province's Secondary Suites Program provides forgivable loans for 50 percent of the

construction and renovation costs up to a maximum of $35,000 to create units for individuals with incomes below the low-income threshold set by the Province. Homeowners enter a ten-year agreement with the Province.

Summary

Organizing the case studies by policy approach provides some insights into cross-case patterns, which will be examined further in Phase 2 of the study (meta-analysis). Several case studies (Vancouver, Edmonton, Calgary, Saskatoon, Winnipeg, Montreal, and Sherbrooke) are more innovative in their approaches, backing strong policy language with funding to implement programs. Notably, these cities also seem to have strong collaboration and coordination, especially with their provincial governments.

The survey results complement this review of rental housing policy across the country, with firsthand observations on the policies and implementation, and the factors that contributed to their ability to overcome barriers.

SURVEY RESULTS

The survey responses confirm the existing barriers to implementation, offering insights on overcoming the barriers and advice to other municipalities. Four hundred municipal planners, non-profit housing organizations, and developers in the 15 case study cities were invited to participate and 194 responses were received, with 102 complete. This gave a response rate of 48.6% (all responses) and 25.5% (completed responses).
Table 2 gives a breakdown of survey respondents.

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

Table 2: Survey respondents

Respondents worked for a range of organizations (Figure 3), with responsibilities including: providing and managing units; assisting residents in accessing rental units; implementing plans and by-laws; and reviewing applications for development of new rental housing.

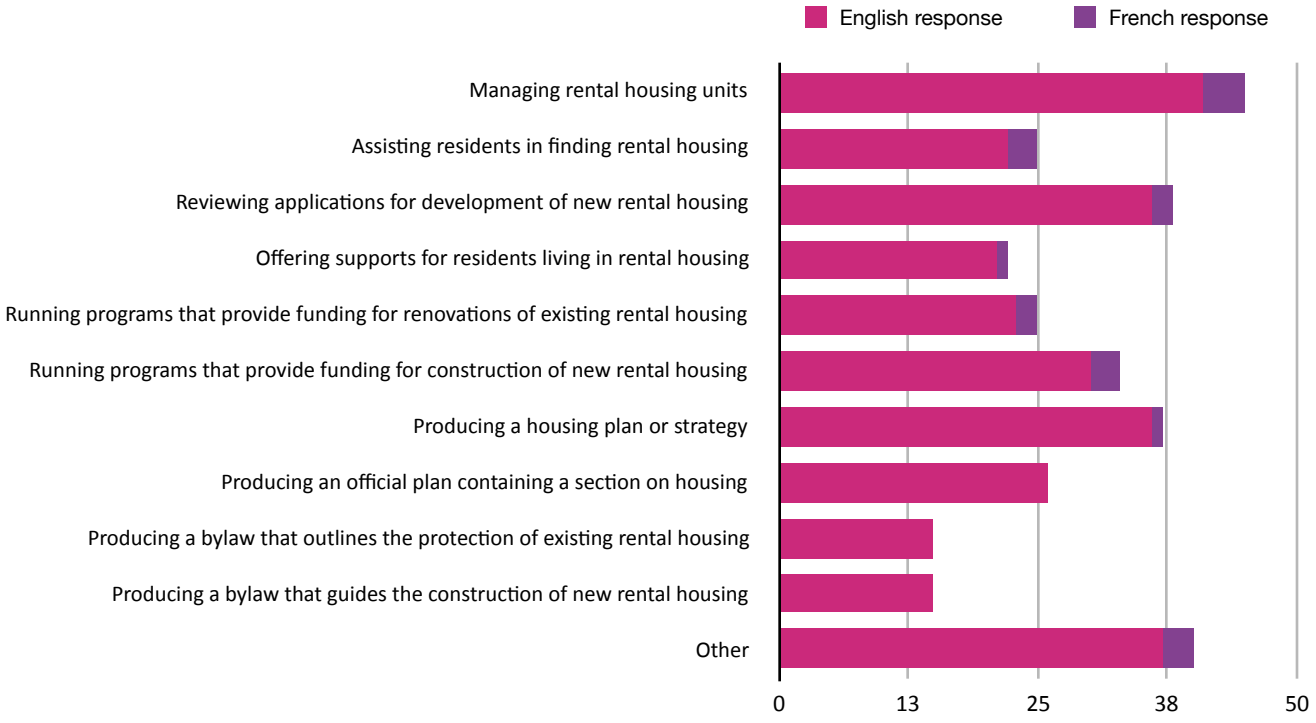


Figure 3: Organization responsibilities

Barriers to implementation of policies

In an open-ended question, the respondents identified a number of barriers to policy implementation:

- Difficulties coordinating partnerships/lack of communication
- Administrative burden associated with policies, programs, and strategies
- Lack of community support for densification and multifamily housing outside core area
- The limited influence of incentive-based approaches compared to market forces
- Lack of funding from federal and provincial governments
- Inflexible government funding programs
- Lack of data on rental housing supply

Two Likert questions reinforce these observations: twenty-two percent agreed or strongly agreed that their municipal/regional government has set targets to produce a certain number of rental units in the past decade, but only 5.8 percent felt that their government achieved those targets. Respondents in Vancouver said that their municipality had set targets, and Calgary and Edmonton respondents stated that their municipality had a target for non-market rental housing. Respondents in Waterloo, Mississauga, Winnipeg, and Victoria indicated that targets for implementing new rental housing were either not set or not achieved.

When asked whether their own organization would benefit from stronger relationships with other organizations in the region, 43.1 percent agreed or strongly agreed. Far fewer agreed or strongly agreed they would benefit from a stronger relationship with the provincial government (36.3 percent) or the federal government (35.3 percent).

Overcoming barriers

Respondents noted how they had overcome barriers to implementing new rental housing. Developers and planners in Saskatoon, Waterloo, Winnipeg, Vancouver, and Edmonton said they had seen increased cross-sector collaboration and communication. Non-profit housing staff in Ottawa, Edmonton, and Vancouver noted their long histories of cross-agency collaboration. Increased collaboration and coordination led to specific results in some of the cases. In Halifax,

recent increased collaboration has led to Council approved affordable housing targets and efforts to protect SROs [single room occupancy hotels]. In Waterloo, planners have been working towards affordable housing incentives for spaces along the new Light Rail Transit, and have worked with other municipalities to apply for Provincial Development Charge grant funding. The Province of Manitoba and City of Winnipeg have collaborated on Tax Increment Financing to encourage new affordable development.

When asked whether their region has an organization that coordinates the efforts of all the agencies, departments, or organizations involved in the development of rental housing, respondents from just two of the cases agreed. The Calgary Housing Affordability Collective works to find solutions to affordable housing problems, particularly non-market rental. A non-profit alliance initiative has recently formed in Montreal, and there are some consultations at the regional level and among the 19 boroughs. But in most of the case studies there was no such organization, or the existing one was ineffective: one Waterloo respondent noted that "The Region of Waterloo coordinates/oversees the efforts but does not actively work at facilitating partnerships or collaboration between housing providers." A Halifax planner responded that, "The Provincial agency does very little."

In overcoming resistance to affordable/rental housing, some of the case studies experienced increased appreciation of the need for rental housing and were better able to address NIMBY concerns (e.g. Edmonton). Some respondents noted that they have been able to overcome the lack of developer interest in rental housing by introducing incentives and tools, e.g. the City of Calgary made some parcels of land available for purchase at well below market value for new affordable housing units. In terms of the lack of provincial/federal funding, most respondents reserved judgment about the new National Housing Strategy, which was launched in November 2017, just six months before this survey was launched. Respondents anticipated the strategy would have an effect on municipal housing supply, but that it would take some time to see the results.

In the meantime, there are still issues with funding programs:

> *"I would suggest that their [the federal government's] approach to Investment in Affordable Housing funding is somewhat short sighted…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…However, when they invest in new construction through non-profit providers, the housing remains affordable well beyond the 20-year agreement."*
>
> *- Non-profit staff, Waterloo*

Success in implementation

Overall, respondents did not feel that their municipality had been successful in protecting rental housing. For example, in Edmonton and Vancouver, redevelopment of existing rental stock into mixed-income or market rate rentals is very common. In Waterloo, conversions of rental housing to condominiums has only been prevented to some extent. Non-profit staff in Ottawa noted that the city has only been able to preserve social and non-market housing. Planners, developers, and non-profit staff in Halifax, Saskatoon, Vancouver, Calgary, and Winnipeg said they have been unsuccessful in protecting rental housing.

> *"Regarding rental generally, no, because I do not think we've set out to do this. Regarding non-market rental, I believe we are in early stages of taking action on this and it's too early to evaluate. We are mainly focused on what will happen at end of operating agreements for non-market rental that is owned/ managed by the City."*
>
> *- Planner, Calgary*

Most respondents felt their municipality had been more successful in building new rental housing and noted the factors that contributed to this success. Surprisingly, only the first two

factors relate to provincial or federal support, with the vast majority related to municipal supports or characteristics.

The factors include:

- Federal and provincial funding (Victoria, Edmonton Vancouver, Winnipeg, Waterloo, Montreal)
- Input from technical resource groups who are developers (Montreal)
- Low interest rates and good capitalization rates for building rentals (Victoria)
- More institutional investors with an interest in purpose built rental (Victoria)
- Capital grants (Saskatoon)
- Tax abatements (Saskatoon)
- Per unit land cost rebates (e.g., funding of $5000 per door for any new rental product) (Saskatoon)
- Municipal policies encouraging rental housing (Victoria, Vancouver)
- Fast-tracked permit review and approval for affordable rental developments (Saskatoon)
- Changes to development rules in the city (Halifax)
- Very strong non-profit organizations with the capacity to undertake real estate development (Victoria)
- A strong desire among private sector developers to build rental housing (Halifax)
- Increased desire among residents to sell single family homes next to transit infrastructure, allowing site redevelopment (Vancouver)

Some cities have done well at building specific types of rental housing: seniors and family oriented housing in Edmonton, market rate rental in Halifax (assisted by the Housing Nova Scotia New Rental Housing Program), social and community units in Montreal. Montreal's inclusionary zoning policy, which is limited to the very few developments with over 200 units, was considered less successful as very few new developments are this size. In Victoria, the Housing Reserve Fund and the Regional Housing First Program were considered to have limited success. On the other hand, Calgary's Resolve Capital Campaign, which brings together nine

social service agencies and eleven private developers, raised enough funding from private and corporate donors to build 1,825 new affordable housing units by 2018.
Several respondents noted that perceptions of rental housing had shifted to the point where rental housing is now desirable and mostly high-end market units are being built (e.g. planners in Hamilton, Vancouver). But respondents from Waterloo, Calgary, and Mississauga did not feel that their municipality had been successful in building new rental housing; instead, market forces had contributed to more condominiums being built.

When asked about the role their organization played in the municipality/region's success, non-profit staff noted their ability to deliver affordable housing through partnerships with the provincial and federal governments (e.g. Calgary, Mississauga) and their own expertise in coordinating and raising funds (Ottawa), advocating for best practices (e.g. Edmonton, Montreal, Regina, Winnipeg), housing low-income individuals (e.g. Halifax, Montreal, Victoria, Ottawa, Waterloo), preventing evictions (Waterloo) and sharing knowledge (Victoria).

In Calgary, the City was considered to have a leadership role, working with and supporting non-profits. Edmonton's planners noted their success establishing the Cornerstones program, secondary suites program and its supportive zoning changes. In Halifax, planners were responsible for updates to planning policies, site-specific amendments and development agreements.

> *"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."*
>
> *- Planner, Halifax*

In Montréal, the municipal government plays an important role in getting the provincial government to invest in social and affordable housing programs and renovation assistance program, managed the programs, and contributed financially. Planners in Vancouver noted that they helped facilitate partnerships, while planners in Victoria said that they had successfully

advocated for the Regional Housing First Program and set targets in their Housing Strategy and Official Community Plan for affordable housing.

Developers in Saskatoon and Victoria noted that they advise government on program development, ways to engage and encourage private sector involvement and partnership, and marketability of various housing programs.

Advice for other municipalities

When respondents were asked what advice they would give to other municipalities looking to protect existing or build new rental housing, they responded:

- ⇒ Facilitate cross-sectoral partnerships (Regina, Waterloo)
- ⇒ Strengthen communication/coordination (Halifax), municipal departments coordination with clear mandates and flexible programs (Winnipeg)
- ⇒ Enact rigid condominium conversion policies (Hamilton)
- ⇒ Develop methods and key performance indicators (Halifax)
- ⇒ Waive development charges on rental suites (Winnipeg, Vancouver)
- ⇒ Relax parking requirements (Vancouver)
- ⇒ Allow preferential property tax treatment (Winnipeg)
- ⇒ Expedite the planning approval process (Victoria, Winnipeg)
- ⇒ Work with local providers to secure land for long-term development (Waterloo)
- ⇒ Only allow redevelopment of rental as new rental (1 for 1 replacement) (Victoria)
- ⇒ Provide enhanced protections for renters (e.g. compensation/moving assistance) beyond provincial legislation as a disincentive to redevelopment (Victoria)
- ⇒ Facilitate development opportunities beyond existing multi-family residential rental areas (Victoria)

⇒ Incentivize infill or additional floor construction for existing rental where tenants can remain in place (Victoria)

⇒ Enforce existing rules (Waterloo)

⇒ Work with developers on incentive programs that work for them, e.g. allow cross-subsidization (Vancouver, Waterloo)

⇒ Continue to fund local renovation programs to keep people in their homes (Hamilton)

⇒ Meet needs around addiction, unemployment, and poverty along with housing provision (Winnipeg)

DISCUSSION AND CONCLUSIONS

This study aimed to examine barriers and solutions to rental housing implementation in Canadian municipalities. This paper has focused on the results from Phase 1 of the study: a policy analysis and survey, which were used to develop 15 case studies.

The policy analysis revealed four groups of policies across the case studies: universal, common to some, uncommon, and unique. There is considerable variation in the strength of each policy and the intent of the municipality to actually implement it (e.g. the presence of dedicated funding or programs). The unique policies may be a result of particular constraints in the municipality (e.g. Vancouver has historically seen very high housing costs and low rental vacancy rates), or unusually strong provincial-municipal collaboration (e.g. Saskatoon, Winnipeg, Montreal, and Sherbrooke). Vancouver, Edmonton, Calgary, Saskatoon, Winnipeg, Montreal, and Sherbrooke show several innovative approaches and strong policy language, backed by funding to implement them. Other cases, such as Halifax, Regina, Mississauga, and Ottawa, have more basic policies and often weaker policy language without associated funding or incentives. These similarities and differences will be examined further in the meta-analysis in Phase 2 of the study, with the end goal of using a range of policy tools to advance policy learning among municipal planners, developers, and non-profit housing organizations in other municipalities.

The survey showed that municipalities have had some success in overcoming identified barriers, such as low levels of coordination/collaboration, resistance to affordable/rental housing, and lack of developer interest in rental housing. Respondents felt that their municipalities were more successful in the development of new rental housing than in the protection of existing units. Factors associated with this success include a range of policy tools, such as capital grants and policies encouraging rental housing, as well as locally-specific characteristics such as good capitalization rates and very strong non-profits who act as developers. Non-profits played a significant role in developing affordable housing units through partnerships with provincial and federal governments, raising funds, preventing evictions and sharing knowledge; municipal planners saw their main role as developing policies and tools. Respondents' advice to other

municipalities focuses on stronger partnerships, communication, and coordination; stronger policy language and enforcement; and incentives and policy tools that work for developers.

In summary, these 15 Canadian case studies illustrate a range of approaches to address the demand for rental housing. Will those with more innovative approaches, strong policy language, and supportive funding and incentives will be more successful in developing and maintaining their rental housing stock in the future?

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