

HANSARD

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STANDING COMMITTEE

ON

COMMUNITY SERVICES

Tuesday, January 7, 2020

Committee Room

Affordable Housing

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COMMUNITY SERVICES COMMITTEE

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[Hugh MacKay replaced Keith Irving.]
[Hon. Margaret Miller replaced Hon. Gordon Wilson.]

In Attendance:

Darlene Henry
Legislative Committee Clerk

Gordon Hebb
Chief Legislative Counsel

WITNESSES

Department of Municipal Affairs and Housing

Nancy MacLellan
Deputy Minister

Lindsay Wadden
Chief Operating Officer

Brandon Grant
Executive Director, Housing Programs

Affordable Housing Association of Nova Scotia

Jim Graham
Executive Director

Claudia Jahn
Director, Community Housing Development



HALIFAX, TUESDAY, JANUARY 7, 2020

STANDING COMMITTEE ON COMMUNITY SERVICES

10:00 A.M.

CHAIR
Keith Irving

VICE-CHAIR
Rafah DiCostanzo

RAFAH DICOSTANZO (The Chair): Good morning, everyone. I'd like to call the Standing Committee on Community Services to order. This is our first committee in 2020, so welcome everyone and Happy New Year to everyone.

I'm Rafah DiCostanzo, the MLA for Clayton Park West. I'm the Vice-Chair of this committee, sitting in for Keith Irving who is the Chair.

The committee will be receiving presentations from the Department of Municipal Affairs and Housing and from the Affordable Housing Association of Nova Scotia.

I would like to ask the committee members to introduce themselves.

[The committee members introduced themselves.]

THE CHAIR: Thank you, everyone. I just wanted to give some instructions: we have the washrooms in the anteroom, and if there is an emergency, we all exit from Granville Street and congregate at the Grand Parade Square. Hopefully we will not need that.

A reminder to make sure that everyone has their phones turned off or on vibrate, including the people in the back, as well. Photos are only to be taken by the media; no one else is allowed to take pictures. When the witnesses speak, if you don't mind waiting for me to call your name so that it will be registered in Hansard.

After that, we would like to welcome you and just present everybody that's here.

[The committee witnesses introduced themselves.]

THE CHAIR: Welcome, everyone, and we will start with presentations, starting with the department first. Ms. MacLellan.

NANCY MACLELLAN: Thank you, and thank you very much for the opportunity to be here today.

I'll start by saying that every Nova Scotian deserves a safe and affordable place to live. That's why the province has invested close to \$212 million in housing over the past three years to support Nova Scotians in housing need. It's also why we've partnered with the federal government on a new 10-year federal agreement for Nova Scotia through which the federal and provincial governments will invest a total of almost \$400 million to support Nova Scotians in housing need.

The agreement marks the province's commitment to create more affordable housing options and to support increased capacity of non-profit and co-operative housing partners. The three-year action plan we announced a few months ago outlines how we will start making those investments. The plan will help to advance Nova Scotia's objectives and priorities for affordable housing, help us to maximize existing housing programs, and most importantly, allow us to better serve Nova Scotians in the greatest need of housing support.

This first three-year action plan focuses on stabilizing our existing public housing stock and growing the capacity of the social housing and community housing sectors, so we're positioned for sustainability and for growth. I'm really proud of the work of Housing Nova Scotia staff and their commitment to deliver the housing supports Nova Scotians need, all the while recognizing that there's more to be done.

Government can't do this work in isolation nor alone; everyone has an important role in addressing the housing needs of our most vulnerable populations. Our partners in other government departments, the non-profit and co-op sectors, community housing organizations, municipalities, business, and private sector developers are all vital to ensuring that every Nova Scotian has a safe and affordable place to live and prosper.

Moving into the slides themselves: the housing requirements in Nova Scotia - not a surprise to anyone here - are changing. The spectrum has brought in a number of trends; our trends are impacting housing needs. The province is experiencing record population

growth and high retention rates - great indicators of economic growth. The supply of rental housing, however, has not kept pace with that increasing demand. Vacancy rates have reached an all-time low level while average rental rates have steadily increased. The Canada Mortgage and Housing Corporation uses the term “core housing need” as an indicator to reflect the number of low-income households that cannot access affordable, suitable, adequate housing without spending more than 30 per cent of their income.

Forty-two per cent of renters in Nova Scotia contribute 30 per cent or more to their housing needs. Challenges related to affordable housing supply in the province, combined with a significant percentage of population that identifies as low income, have put considerable stress on the housing systems in Nova Scotia. This isn't unique to Nova Scotia. It is actually an experienced phenomenon across all major cities in North America. I would say that's also why this is such a great and pivotal time for us with a new 10-year agreement to be forward-looking on what we can do to improve this current situation.

The long-range provincial housing outcomes, which have been endorsed by the province, include reducing the public housing wait-list, advancing government's strategic direction of safe and connected communities, ensuring the long-term sustainability of housing, ensuring that the most vulnerable clients are served, increasing the supply of affordable housing, leveraging federal funding, and achieving operational efficiency and effectiveness.

This slide is intended to illuminate the work that we're doing - it's a little hard to see, I think. Really, from the point of homelessness to the point of market housing and all of the work that we have under way and planned into the future, from the point of view of homelessness, we have the coordinated access system; we support housing support workers to help folks find affordable housing, rapid re-housing; and we support the Housing First program. We provide grants to shelters and transition houses for capital improvements. We provide operating grants in addition to those.

The social housing portfolio includes rent geared to income. We support 17,800 tenants in 11,300 public housing units. In addition to that, rural and Native housing is part of that social housing portfolio. About 37 co-ops and 12 non-profits remain under the social housing agreement. In addition to that, we have a growing number of rent supplements in the marketplace. Right now, that number is about 2,400.

Under the affordable rental housing, we have 400 provincially owned affordable housing units and a Rental Housing Preservation Program. In addition to that, we support home ownership with a Down Payment Assistance Program and our home repair and adaptation programs that help folks age in place and stay in their homes.

We've had a significant focus on homelessness programming in the last while, including designated rent supplements to support folks who are experiencing chronic and episodic homelessness. Municipal Affairs and Housing provides \$240,000 annually to fund those rent supplements. We also provide ongoing support to homeless individuals and

families and those at risk of homelessness by supporting several other initiatives: annual funding to shelters, and eight housing support workers, the Shelter Enhancement Program that I mentioned, a commitment to 300 rent supplements over three years dedicated to people experiencing homelessness. A number of community-led initiatives are funded through the poverty reduction initiative, including the 16-bed co-ed shelter in Cape Breton, diverting families with Adsum House, the Portal Youth host homes initiative in Kentville, and funding for an intensive case manager at Phoenix House.

In addition to that, we're really proud of the work that's been done with the Salvation Army and Shelter Nova Scotia in rapid re-housing where we've been able to reduce the occupancy at Metro Turning Point to just about 50 from what has been 80, and we've been able to house more than 100 people in permanent housing through that program in the last 18 months without requiring any rent supplements or any other supports.

Social housing represents a significant part of the work that we do. We do have just over 11,000 units housing families and seniors and operated by the housing authorities. There is rural and native housing, which represents about 580 units owned by the province and operated by the housing authorities, located in rural areas.

Rent supplements, which I mentioned, represent about 2,400 currently in the marketplace. Government announced a couple of years ago 1,500 new rent supplements over three years, and we're on track to put about 800 of those out into the market already. The co-op and non-profit housing sector has 1,300 units operated by 49 organizations, and urban native housing currently owned and managed through Tawaak Housing has about 154 units.

We have new rental and rental preservation programs where we partner with providers in non-profit and private sectors to support increased supply of affordable housing. The new rental program aims to provide new supply in areas where population is growing, where there's a shortage of supply, through capital contributions and construction of up to \$50,000 per unit. The preservation program provides funding for existing rental housing at risk of being lost due to the conversion of non-residential buildings into affordable housing. The contribution on those programs is up to \$24,000 per unit.

In addition to that, programs for homeowners - the Down Payment Assistance Program provides support to low- and moderate-income first-time home buyers. We've provided that support to over 500 home buyers in the first three years of the program, which provides up to 5 per cent of the purchase price to a maximum of \$14,000 in HRM and \$7,500 in other areas of the province.

In addition to that, the home repair and adaptation programs serve between 2,000 and 2,200 homeowners every year in repair and adaptation programs including emergency and health and safety, and repairs related to structure, heating, electrical, plumbing, fire safety, and overcrowding.

In addition to that, I'm sure you've all heard that the bilateral housing agreement, which has been reached with the federal government, was announced in August. It allows us to focus on Nova Scotia priorities in addition to the priority areas that were outlined by the federal government. Under that agreement, Nova Scotia will receive \$197 million over the 10 years, which will be cost-matched by the province, for a total of \$394 million over the course of the agreement.

There is a focus on vulnerable populations including women and children escaping domestic violence, seniors, those who experience homelessness, persons with disabilities, mental health clients, veterans, newcomers, the LGBTQ2S community, and racialized persons, and to provide supports for existing social housing and new rent assistance units through two streams: the Federal Community Housing Initiative, to preserve and expand social housing, and P/T priorities directed at provincial housing priorities. New bilateral federal funding will replace the federal funding agreement investment in affordable housing, which expired on March 31, 2019.

[10:15 a.m.]

Under the bilateral agreement, the federal government has outlined the priorities which include preserving the existing social housing - the Nova Scotia baseline is just over 11,000 units - and expanding by 15 per cent; repairing 20 per cent of social housing units; investing in and repairing urban Native housing; ensuring the long-term sustainability of social housing programs; supporting growth in the community housing sector; and directing funding to vulnerable groups. Other provincial targets include preserving 111 urban native units, developing new programs to set conditions for long-term sustainability and growth, and directing funding to those vulnerable groups in Nova Scotia.

The three-year action plan, which really gets into the detail of how the money will be spent over the first three years, has really enabled us to continue existing programming and develop new programming under this program. In order to maintain existing programming, we will maintain the 11,600 rent-assisted social housing units; there is \$4.5 million to make more affordable rental units available through the rental assistance program, Rental RRAP - there's 120 units there; \$21.4 million to continue home repair and adaptation, which will serve over 1,300 low-income homeowners; and \$3.2 million to continue expiring rent supplements, which is about 200 units.

Under new programming, however, we've also been able to include the urban Native housing repair program, which is \$7.1 million to repair 71 units owned and operated by Tawaak Housing; improving accessibility in public housing units, \$4 million to repair about 100 units, with 30 of those to become fully barrier-free; the co-investment fund contribution, which is \$2 million to support eligible projects to construct new units under the National Housing Co-Investment Fund; support of the community housing sector, with \$3.7 million to provide improved capacity for future sustainability and transformation, and \$10.2 million to support projects for long-term sustainability; and the transformation program, which is \$5.6 million to improve the sustainability of public housing.

I would say it is a deliberate and planned approach for us to focus on stabilizing and investing in refreshing our existing stock and being ready for growth into the future.

Expanding social housing: we anticipate 87 new units through the Affordable Housing Program, 40 new units through the new transformation fund, and four new units targeted at Indigenous populations. New rent supplements: 100 to provide the private sector to create mixed-income, mixed-use communities, and 130 targeted for the community housing sector.

What's next? In the few months since the bilateral and action plan were published, we've been focused on pushing money out the door for the first year and making sure that we're able to maximize the federal investment and federal contribution while we've been developing new programming to support an innovative and modern future approach to housing.

These investments will create a situation where we are investing in our public housing stock and our stock so that we preserve effective housing for the people of Nova Scotia who live in our public and social housing portfolio. Many of the units are 40-plus years old, and the building envelope needs that significant investment and stability in order for us to be able to maintain those units in good condition and that people have a safe and affordable place to live.

In addition to that, we are focused on our design of new programming with our community partners to make sure that we are creating innovative solutions that enter the marketplace in a timely way and we are able to increase the supply of affordable housing as we go forward. Thank you.

THE CHAIR: Thank you, Ms. MacLellan. We also have a presentation from the Affordable Housing Association of Nova Scotia. Mr. Graham.

JIM GRAHAM: Thank you and good morning, everyone. We do appreciate the opportunity to be here this morning and speak a little bit about the housing crisis that faces us in Nova Scotia. I am the Executive Director of AHANS - that's what we call it. This is my colleague, Claudia Jahn. Together, we have over 70 years experience in the field of affordable housing: myself as a civil servant with the Province of Nova Scotia in Housing, as technical adviser to the South African Department of National Housing, and with work in community; and Claudia began her career in Germany as a property manager and property developer, and since coming to Canada, has worked in the community sector on housing issues.

THE CHAIR: Ms. Jahn.

CLAUDIA JAHN: Thank you very much. As long-time housers, Jim and I acquired a deep understanding of the housing needs in Nova Scotia, its strengths and weaknesses,

and we are here today to share our knowledge in the hope of providing some meaningful contribution to building a stronger affordable housing sector in Nova Scotia.

As you are all well aware, accessing affordable housing is becoming more and more challenging, not only for low-income households, but for medium-income Nova Scotians as well. So it is my pleasure to provide you with an overview of the state of the current non-profit housing portfolio, the barriers to harnessing the opportunities under the National Housing Strategy to its full potential, and finally, Jim and I are going to propose tangible recommendations.

The Affordable Housing Association - AHANS - has been actively involved in building affordable housing and upgrading, protecting, and better utilizing the province's existing stock since the mid-1980s. We are active learners and teachers who gladly share our knowledge and experience through housing research, education, and capacity building.

Since 2012, AHANS has been the community entity for Service Canada's Homelessness Partnering Strategy and successfully administered over \$12.8 million throughout HRM and in rural Nova Scotia. With the launch of Reaching Home in 2019, the Government of Canada's redesigned homelessness strategy, AHANS will administer an additional \$17.2 million over the next five years in community investment designed to reduce and prevent homelessness.

Delivering these federal funds in combination with our work as a founder of the Halifax Housing & Homelessness Partnership has fostered close relationships with shelter and non-profit housing providers, homeless service agencies, the private sector, and government agencies throughout the province.

You as MLAs, and everybody here in the room, will appreciate the housing-related challenges that constituencies and residents face on a daily basis. The struggle is, of course, real and it is getting worse day by day. The numbers we just heard from Nancy's presentation illustrates how high the need is considering the waiting list and other indicators.

The affordable housing stock in Halifax and across the province is both insufficient and in decline. Erosion of affordable units occur through three processes: we have demolition; we have the conversion to condominiums or Airbnb; or through rising rents jeopardizing affordability levels. Acquisition of existing properties with low to moderate rent is a recurring threat. Investors make capital improvements and gradually increase the rents to improve the cash flow and rate of return. Housing is a commodity. This is done by both large institutional investors and rental investment corporations that still view Halifax as an attractive market for investment.

The non-profit housing stock is in jeopardy as well. Long-standing housing providers who were part of the housing transfer agreement have been forced to sell units just to keep the lights on for the remaining stock. Today, non-profit housing associations

operate on a model and mission that undercuts their ability to capitalize and compete with the private sector and limits their ability to operate in a growth model.

The Nova Scotia community housing sector is fragmented and overextended. Most providers are specialists in social services but do not have real estate or development and property management experience.

As you can see on the slides, and as Nancy alluded to in the numbers, you have a couple of units, just 425 non-profit housing units in HRM that are managed by 16 organizations. We have 1,400 co-op housing units in HRM managed by 44 co-ops, which illustrates that we don't have the scale of a portfolio to manage this adequately and proficiently.

Various agencies own housing units for their particular segment of population, supportive housing for their clients, but there's not one single community entity with a mandate to build, manage, and grow the affordable housing stock.

What we experienced first-hand as an organization in trying to support our sector over the last couple of months is that there are significant barriers for the sector and their capacity to adequately respond to the upgrade and maintenance concerns, never mind building and renovating new housing stock. There's a lack of capital for purchasing land, development costs, and equity. The mandate and expertise is not available to manage a mixed portfolio that is long-term and sustainable. Small-scale development and renovation projects are not eligible for the federal National Housing Strategy programs. We are not able to compete with and to counter the private real estate market.

Thus far, the local sector has been largely unable to access any of the initiatives under the National Housing Strategy. The programs do not reflect from Canada Mortgage and Housing the local needs and the capacity of the providers. Any significant addition to the existing stock requires dedicated resources separate from those that are already existing and are forthcoming under the housing strategy.

In our work with the non-profit providers, AHANS has experienced these failures over the last month, as I had mentioned, and we know that even the forthcoming programs might not be sufficient to bridge these gaps.

To address the ongoing barriers and embark on a growth path for our province, AHANS proposes a threefold strategy that has the potential to truly transform the sector. We applaud the Province of Nova Scotia for focusing on and advocating for the upgrade of the existing stock. However, at the same time, it is really crucial to embark on a growth path.

In order to achieve this, it is our belief from best practices to establish a non-profit housing corporation that will have the wherewithal to purchase buildings, to upgrade buildings, and to develop new units. Secondly, we are proposing a housing investment fund

that will provide the financial resources for non-profit housing developers to embark on the purchase of properties and new development.

Lastly, we are proposing a community housing resource group that aspires to be a one-stop shop for housing providers throughout Nova Scotia, offering the critical missing skills and resources for growth. The team would manage its project from the conception idea to its completion by providing the required expertise for long-term viability. Working one on one as providers would develop the internal capacity among non-profits to do more than just sustain themselves, but grow in the long-term.

With that being said, I would like to pass this over to Jim.

[10:30 a.m.]

JIM GRAHAM: Very quickly, just a comment on the broader context in Nova Scotia, which Nancy alluded to. There are 30,000 to 40,000 households in Nova Scotia paying far more for their housing than they ought to. The vacancy rate in Halifax is below 2 per cent and is approaching 1 per cent. The stress on the market for moderate-income households, never mind low-income households, is growing every single day. We're dealing with migration. We have rural population coming to Halifax that changes the dynamic in those communities. We have immigration coming here that changes the dynamic in our community in Halifax. That's an important part of what's happening.

The other thing that I think we need to understand is it's not just rising rents that create pressure. There was a study done by a group in Toronto, and Nova Scotia ranked worst in the country for pressure on household income to pay the rent. That pressure came from high utility costs, high taxes, high child care, high food, and low wages. Even if you can find affordable housing, there's pressure on you to keep that payment because of the costs of the other components of your life.

The action plan is reinvesting in a 50-year-old program. It's reinvesting in a public housing stock that was designed to meet the needs of the 1960s and 1970s. We have moved past that; we have moved well past that. That program isn't sustainable anymore. Investing in the existing portfolio, \$62 million for 2,400 units in the action plan, there are 11,000 units that you could spend all of your money investing in that portfolio. You won't touch the 35,000 households that are in core need.

There's a fundamental problem with the current model and it is not sustainable. It is not sustainable because there is not enough income to support its needs, pure and simple. The average rent is around \$400 a month. Federal subsidies are disappearing and it's doubtful that, based on Ontario, the coming Canada Housing Benefit is actually going to make a significant difference. The fundamental problem is on the revenue side. Investing the money in refurbishing, while it is desperately needed, is not going to change the revenue side.

I would like to make two more comments; one is on the Rent Supplement Program and the government's policy of requiring rent supplements to be used to reduce the public housing waiting list. Public housing consists of two types: one is for seniors 55 and older, one-bedroom apartments; and the second is multi-bedroom units, which is meant for families. There is no public housing stock for single people, it doesn't exist, you don't qualify.

The National Housing Strategy that this action plan is based on identifies priority groups that should be served. Among those groups are the homeless and those with mental health issues. In Halifax alone, over 240 single individuals are currently homeless. They are in shelters, they're couch surfing, they're sleeping in cars, they are rough sleeping. They're in places that are not meant for human habitation. If you're homeless long enough, you lose 25 years off your life. Of the hundreds of rent supplement subsidies announced, only a handful have been directed to the homeless. It's a policy that needs to be rethought.

I believe if we're not growing, we are dying. If we're not learning something new and thinking differently, we start to decay. I think the action plan is based on a commitment to the past; it doesn't demonstrate or, to me, doesn't even suggest a change in the way this is being thought about.

Nova Scotians deserve a 20-year vision for a social housing model that works and then we need a three-year plan, a five-year plan, an eight-year plan to get there. Housing Nova Scotia needs a board of directors and senior leadership stability. I came back to Halifax in 2012 - five CEOs for housing. Five. Nova Scotians deserve a public housing portfolio, a billion dollars worth of real estate, to be managed as such and not like a program.

Nova Scotians deserve the promise to use its lending powers to provide long-term, fixed-interest-rate loans for non-profit housing providers. Long-term, fixed interest rates are the key to stability over time. We need the public housing stock converted to a non-profit model from housing only the lowest incomes to a model of mixed income. Nova Scotians need rent supplement subsidies to be available to the lowest incomes, regardless of household size.

Nova Scotia deserves a Housing Nova Scotia that is proactive and opportunistic, taking advantage of localized opportunities with a variety of strategies, instruments, and investments, not simply an administrator of programs. Finally, we need meaningful, measurable outcomes and accountability to those outcomes. I thank you.

THE CHAIR: Thank you, Mr. Graham and Ms. Jahn. We'll open the floor to questioning, and we will start with one question and a supplementary in the first round and then one question after that. We normally start with the PC Party, then the NDP, then the Liberals. We're starting today with Mr. Steve Craig.

STEVE CRAIG: Thank you all for the presentations. I want to start by saying, Ms. Jahn and Mr. Graham, that your 70-plus years combined experience in this area is quite evident. I absolutely agree that we need to start to do things differently, so I'm not going to dwell on strategies in the future here because I'd just like to ask a few questions initially. I do take your points - thank you very much - and to Housing Nova Scotia staff.

Ms. MacLellan, thank you also for the work you're doing, because although we have a fragmented housing spectrum and the way we approach it, the area that you're working in is important.

The first question I have is with these recent investments into updating and repairing the current housing stock. That all sounds good, but they do raise questions, some of which Mr. Graham has raised. Historically, the way the housing stock upgrades have been handled is to make large investments, and we've seen this with the current bilateral agreement. They happen every decade or so, but the money doesn't seem to go far enough. It doesn't address all the housing stock and we have continually deteriorating housing stock, so the question is: What is being changed? What are we going to do differently in our approach to investments in keeping this housing stock current?

Ms. MacLellan, you made a comment earlier about stabilizing our current stock; that's with the addition of the monies from this bilateral agreement, so what is going to change? How are we going to address the current stock that you're available to manage?

NANCY MACLELLAN: All of the things that Jim and Claudia point to, we share their concerns. With all of the challenges that we've had historically in a program that has evolved over decades, our focus on a purposeful approach to stabilizing the existing stock, for us, is the foundation to be able to create the mixed-use, mixed-income, mixed-market model that is the only model that is sustainable. I echo all of the comments about sustainability.

Historically, our public housing stock has been filled with folks who have modest or certainly low income and the rents are not sufficient to cover the cost of the repair and maintenance required for the infrastructure that is there. As those of you who are renters or homeowners or condo owners know, if you're at the 40-year mark or the 20-year mark, the roof, the pipes, the heating systems, the building envelope require a significant investment.

A lack of investment in that creates a situation where units aren't rentable. If units aren't rentable, your revenue goes down and it's a spiralling problem that exists. Our approach to investing the \$14 million in this first three years just in the stabilization of that public housing stock will be critical for us to have that sustainability, but we're not waiting for that in order for us to explore mixed-use, mixed-market in our public housing portfolio.

We have an initiative under way to consider what it would be like if we converted some of our units now. What we do know is the current condition doesn't make that present

value achievable for anybody who might take that on. There has to be an investment for us to make that a workable model.

STEVE CRAIG: You're quite right. All of us who own properties know that we have to keep things as best we can in a state of good repair and also to put monies away for the life cycle of those investments. That's what I don't think I've seen in the province in the past. The largest landlord, I think, in Nova Scotia is Housing Nova Scotia - the province. In Toronto, the worst landlord in the country, I suspect, is the City of Toronto and their housing stock that they have management over.

I guess my question is: What professional resources do we have in actual real estate and property management? What resources do you have available to you? Are they internal? Are they external? We all understand the social determinants of why we're in this situation, but I just want to focus on the bricks and mortar, if you will. What expertise do we have? What focus do we have on maintaining our current stock so that once that \$14 million or so that you invest is done, that we don't run into another capital requirement of more than that?

NANCY MACLELLAN: The housing authorities are professional property managers and have been in that business. We currently have five housing authorities; not very long ago, we had dozens. There is an effort in our service delivery model to make sure that we have a province-wide view of that work and that we have a level of professionalism and expertise delivering on our programs and services.

We also leverage a mix of internal expertise and contracted expertise for the bigger projects and the bigger models, so we are looking at how we do that in a way that is consistent so a client experience and an employee experience, province-wide, is the same.

In addition to that, the National Housing Strategy and the bilateral agreement points to the community housing sector as being the wave of the future. The federal government's focus on the investment and the market of community and social housing is, as my colleagues described, not as mature as it is in any other area of the country. While we are making the investments in public housing, we have a stream of work around growing and strengthening the community and social housing sector.

I would say that's not in competition with the private market. It actually has to be in concert with the experts in the private market so that you have the builders who have expertise and engineers and all of those resources, and you have the social housing sector and the folks who support people who have those needs, you have us and our property management experience, and all of our folks who bring resources to bear.

Other government departments like Health and Wellness, Justice, and Community Services also serve these same folks, the same folks who have the same needs, and being able to leverage that community of practice, our colleagues in the non-profit sector like Phoenix shelter, other folks who have been in this business 70, 80, 100 years and being

able to make sure that we're leveraging all of the best brains. There's no one organization that has a corner of the market on the good ideas and moving this forward really will take all of us.

THE CHAIR: We will move on to the NDP, starting with Susan Leblanc.

SUSAN LEBLANC: Thanks for your presentations. I just wanted to especially thank you, Mr. Graham, for your comments around the fact that this is not just the price of rental problem, but it's an income inadequacy problem in Nova Scotia that we have. All of the issues - the daycare, low wages, high cost of food and fuel - are certainly things that people in my office are facing challenges with every single day. They're not just the people in the lowest income brackets. They are moderate income brackets as well.

[10:45 a.m.]

I'll just say really quickly that one of the places that the province must go in terms of solving the income inadequacy problem is in investments in deep energy retrofits, because if we can get people in warm, cozy homes where they're not paying the fuel bills out the windows, that will make a substantial difference.

My question is about the organization - Ms. MacLellan talked about it - the Tawaak Housing Association. Tawaak's mandate is to provide safe and adequate housing to urban Aboriginal populations, as you mentioned. Residents have described extreme neglect and non-repairs in the units, and it's clear that the province has the capacity to require that the landlord provides repairs and is managing the units in a safe and responsible manner.

I know you mentioned that under the National Housing Strategy there is money earmarked for Tawaak Housing, but in the meantime, what is the Department of Municipal Affairs and Housing doing to ensure that the needed repairs are being done now at Tawaak Housing?

NANCY MACLELLAN: As I described, in our own experience as a landlord, not having sufficient money to invest in repairs and perhaps not having the expertise creates a situation where units come in disrepair, they're not rentable, you don't have the revenue and you can't reinvest - the cycle. Tawaak is a private organization that is governed by a board of directors, so while we do flow funding from the federal government to Tawaak, they are governed by a board.

We have a relationship with them. There is new federal funding coming and we are working on an approach as to how we will work with them in terms of project management to make sure that they have what they need in order to be successful.

SUSAN LEBLANC: I guess it doesn't offer comfort to the people who are living right now in those units in states of disrepair. It sounds like something needs to be done now. I'm wondering if either AHANS or the province can shed any light - you did mention

a little bit about the cycle of disrepair in public housing - on how in particular those units have fallen into such disrepair. Is it a particular problem with the organization or is it more of a systemic problem that a lot of not-for-profit boards are facing?

CLAUDIA JAHN: If I could speak to this - our organization has been working with the Tawaak Housing Association for the last one and a half years. We basically approached them because we heard presentations and cries for help during a conference, so we reached out and said that we are allies who are here to help. We oversaw and received funding from the province to do 50 per cent of the housing stock property condition assessments as a first step to really even see how many vacant units there were, what the condition was, and what the capital repair needs were.

Based on that assessment, \$7 million was allocated to bring this up. As well, we worked with our partners: the province, Canada Mortgage and Housing, HRM, the visitors organization. We did board development. There are new board members coming on. It's a long-term process.

Susan, it's a great question because I analyzed other organizations - Harbour City Homes. Each and every organization experienced the same issue so there is nothing particular about Tawaak Housing Association; Harbour City Homes - the same conditions, same vacancy rate. It is very systemic across the province and across the country. What needs to happen is ongoing support and guidance and building the capacity and overseeing the rehabilitation.

NANCY MACLELLAN: I would say it's the reason we've created the stream of work around supporting the community and social housing sector to be able to strengthen that community so that they have the skills as a governance board. They have access to experts in terms of the work that needs to be done, and we certainly support AHANS and the folks on supporting us and helping us make that happen in Nova Scotia.

It is something that happens not infrequently with community organizations - as the folks here described - who are a bit fragmented in terms of how they are operating. One of our streams of work is around how we pull that community together with others who have that expertise to be able to support folks to be successful.

THE CHAIR: We'll move on to the Liberal Party, starting with Mr. Hugh MacKay.

HUGH MACKAY: Thank you all for being here and for your presentations, which were very informative. Ms. MacLellan, we heard some concerning remarks from AHANS regarding the homeless. Certainly, it's something that is often overlooked in the public eye, but one that we in our positions as MLAs sometimes hear about, but too often don't hear about: those who are sleeping rough or couch surfing and so forth.

I'm wondering, as there are many social determinants to homelessness, how do you work within your own plan, and also, how do you work with other provincial departments or other governmental levels in regard to homelessness?

NANCY MACLELLAN: I will start off and then I'll turn it to my colleague, Brandon. I would say our focus on homelessness over the last 12 to 18 months has been quite acute. We've been working with the Housing and Homelessness Partnership folks, as well as others who support homeless people, in order to both assess the magnitude of the situation but to also bring light to the social determinants of health and the impact that a lack of stable housing has on people and families. Folks who are living in a state of scarcity can't think about attaching to the workforce, can't think about attaching to school.

We know that one of the primary building blocks of folks being able to prosper and be successful is for them to have a stable and affordable place to live, now and into the future.

There have been early conversations with many of my colleagues in Health and Wellness, Justice, Community Services, Education and Early Childhood Development, and all of the other major departments where a lack of safe and affordable housing really has a significant cost and impact to operations in other areas. We have a stream of work around supporting homeless folks. I'll turn it over to Brandon to kind of illuminate some of the specifics.

BRANDON GRANT: As the deputy mentioned, over the past 18 months, our department has been working in collaboration with the Department of Community Services, as well as shelter providers and other not-for-profits on developing more of an integrated approach to homelessness and to address some of the urgent needs that are out in the community.

The deputy alluded in her presentation to some of the initiatives that have been undertaken that we're trying to do things differently on this file, to try different approaches that are moving away from a traditional shelter-only approach to homelessness. The deputy mentioned that we have made an investment in partnership with Shelter Nova Scotia and the Salvation Army around a rapid rehousing program.

The program has allowed us to do a number of things, including reducing the amount of occupancy at Metro Turning Point to what we would say is a safer, more respectful level for our clients and opened a space at the Salvation Army focused on a rapid rehousing model that does a number of really interesting things. The first is we focused on what we would call our low acuity clients - those folks who need just a little bit of support. Is it a housing support worker? Is it a little bit of resources in order to get set up in an apartment? Those resources are wrapped around those clients who enter the rapid rehousing program at the Salvation Army.

One of the things that we've learned in our interactions, in our conversations with those experiencing homelessness, is that often for folks they're single people. Oftentimes the people they meet in shelters are their friends. So one of the things that we built into the program is meal tickets for those folks who can come back so that they don't have to experience social isolation and they're able to feel like they can reconnect with folks.

We've seen some incredible success with this program since it started in August 2018. Over 100 men have been housed with 93 per cent success rate a year later in terms of them maintaining that housing, so we think that's a really positive sign and way of doing things differently on this file.

We've also made investments along with Jim's group, as well, to a shelter diversion program that is operated by one of our shelters. We don't want children entering into the shelter system, so the concept of shelter diversion is to ensure that we connect people to resources, connect people to permanent housing, before they enter into the shelter system. That program has seen a number of great success stories too.

We've also made investments in a new shelter in the Sydney area. It's a new 24/7 shelter that recently opened in December. Up until that point, there were no emergency beds available for women, so we made sure that there were emergency beds available for women in that area and also made sure that it was a 24-hour service, as well, that wasn't available previous to that.

A number of other interesting investments have been made in partnership with the new poverty reduction grants, as well, so investments have been made in the Kentville area for host homes for youth that we've partnered with local service providers. There have also been investments in intensive case managers for youth so that there's quick wraparound supports for our young people experiencing homelessness.

We want to really focus on the new and innovative ways to address this issue because there are plenty of opportunities to look at this differently. I think over the last two years working in partnership with other government departments - with organizations like AHANS, like the shelter community, like the Housing and Homelessness Partnership - we've been able to start a really interesting program in this area.

HUGH MACKAY: Thank you, I appreciate those answers. My constituency is a bit suburban, but primarily rural in nature. I think if you drive along the South Shore along Highway No. 3, you see lots of nice middle-class homes, middle-income homes and such, but I must admit in full honesty, when I first decided to get into politics, those are the houses I saw from my past.

As I campaigned and went down a lot of dusty rural roads and found a single parent with two preschool-aged kids, a leaky roof, and steps that looked very challenging, I became very aware of the challenges for housing and other social needs in rural Nova

Scotia. I'm wondering how you track, and do you have specific measures and actions that you take at looking at rural versus urban housing challenges?

NANCY MACLELLAN: We have staff deployed around the province who have their finger on the pulse of what's happening both in our public and social housing, but also folks who operate our home repair and adaptation programs and housing programs in rural areas. We haven't historically had a good province-wide view of what that looks like and, by comparison, what it means for rural and urban.

We do now have an approach to our service delivery model that has us looking at how we are operating our programs from one end of the province to the other so that our clients have a consistent experience whether they go to the Western Regional Housing Authority or Metro or Cape Breton Island or Cobequid.

I would say that what you describe in terms of your experience campaigning, I have certainly experienced as I've gone around the province and walked streets with our folks who provide support to people in rural communities. Our home repair and adaptation programs do serve 2,000 to 2,200 people a year in order to provide supports for the kinds of repairs that you described to make sure that homes remain livable and people are able to keep their homes.

[11:00 a.m.]

THE CHAIR: We'll move on to the PC Party, but with one question. This is the second round and we're starting with Mr. Comer.

BRIAN COMER: Thank you all so much for coming today. Cape Breton is in a situation where there's a three-year wait-list for affordable housing. Cape Breton has seen significant growth of international students at Cape Breton University who are key contributors to the local economic growth, population increase, which Cape Breton desperately needs, to be quite frank. This has led to a situation where there's not only lack of affordable housing for those who need it most, but there's overcrowded room rentals for these international students, skyrocketing rental rates, which are taking advantage of these students, to be honest.

My question is: Has there been any discussion within the department on increasing the infrastructure for housing in Cape Breton to alleviate this issue, both for the students and for those who need affordable housing?

NANCY MACLELLAN: We're aware of the situation that you're referring to and certainly are aware of some of the demands in some of our university communities. We have, as you know, a number of university towns where the housing market becomes much more acute for folks in terms of availability of affordable housing.

We've been working directly with the university in Cape Breton to be able to make sure that there is - we have an eye toward that, and part of their action going forward has been to make sure that they include an eye toward affordable housing for their students who are coming to Cape Breton. We work closely with folks in CBRM and the Cape Breton Island Housing Authority who also have an eye on how we can better support folks in short- and long-term housing situations.

THE CHAIR: We'll move to the NDP. Ms. Lisa Roberts.

LISA ROBERTS: Thank you all very much. One of the programs referenced in the National Housing Strategy through your action plan is the Rental Residential Rehabilitation Assistance Program, which has already been operating for years with provincial funding under Housing Nova Scotia. It has proven largely unworkable for non-profit housing providers.

Yet, we know that millions of housing dollars have been given out to private landlords under the program. For example, VIDA Living was given over \$3 million to renovate 71 units and guarantee below-market rent for 15 years. Yet, for a bachelor apartment, the saving to a tenant is sometimes only \$25 a month.

On top of that, we're hearing that in some cases publicly funded renovations resulted in evictions of very low-income tenants who are unable to return to the units after the renovations. I'm wondering, and I welcome thoughts from the department as well as from AHANS, what analysis can you provide to show that the RRAP program presents good value for public investment when it's not resulting in long-term affordability or expansion of the social market sector?

NANCY MACLELLAN: Our Rental RRAP program has been focused historically on some of the market rents and making sure that the investments are made to keep the units in a state of repair. What you're pointing to on the social housing and the community housing sector is a lack of evolution yet with that sector to be able to make those investments and to be able to share the cost of them.

What we've seen so far - what I've seen so far in my vast six months as deputy - is that we need to do things differently because community organizations and community housing and social housing sector organizations are not going to come to us with a lot of money necessarily to invest, so how do we arrange our programs so that they're able to access them in a way that sees the work being done, the units being repaired, the living conditions improved, and still maintains a level of security for the tenants who are there?

In partnership with our colleagues at Service Nova Scotia, the tenancy programs are certainly more aligned with their mandates, but for us I would say, paying attention to how we make our investments and ensuring that in exchange for that investment there is a long-term commitment to affordable housing and to the tenants who have been there has been a priority for us.

We've also noticed - and you're pointing to this too - that what is defined as affordable is 20 per cent below market and what is actually, in fact, affordable for people is still not achievable for many of the people we serve and many of the people on our wait-list and many moderate-income people in a time of economic prosperity where the cost of rentals is increasing.

We have used our rent supplement program in order to keep people in their homes. What we've noticed in our evaluation of our portable rent supplement pilot is that, in fact, it didn't actually help people move around. That was our thought - people could have greater choice. They could take their rent supplement with them and change. It actually has had the impact of having folks be able to stay where they have been when those situations have occurred.

JIM GRAHAM: Rental RRAP is a good idea. What is not a good idea is when you time-limit the affordability and then you shallow the impact, because what happens is you make a short-term investment and you really haven't accomplished anything in the long term. The Rental RRAP forgiveness works like that. The other program that works like that is the private sector subsidies based on new construction. Also, with kind of a 15-year time frame, you just pushed your problem further down the road and left someone else to deal with it.

Both of those things speak to the need to have a different model. You need a non-profit sector that is in this business for generations, not for 15 years. You need something that is long, long term and not short term.

Government programs tend to be utilitarian. They try to do the greatest good for the greatest number. What gets left out are the people on the bottom end. Really, what should be focused on is those who need it the most. That's where the effort needs to be.

We live in a sub-Arctic climate. If you're not housed, you die. That's what happens. Research goes back decades and decades that says secure housing is fundamental to economic, education, and health outcomes - positive, fundamental outcomes. That's where we need to be focused. That needs to be the long-term goal.

It has taken 20 years or more to dig this hole. It's going to take 20 years or more to get out of it. We need to think in those terms, not in three years. We need to think in those terms.

THE CHAIR: We'll move on now to the Liberal Party. Ms. Miller.

HON. MARGARET MILLER: Thank you so much for your presentation. This is my first day on the Community Services Committee. I find committees are so beneficial because we learn so much. In a ministry and in a department, you have your own little area of expertise, the things that you're learning in that, and you miss so much else. I really

appreciate the fact that I'm learning a lot here today, hearing a lot here today, and certainly have an appreciation for the Department of Municipal Affairs and Housing and the huge task they have before them.

I did want to mention, with the rental supplements, I've had great success in East Hants, especially with senior ladies living in an apartment that they can't quite afford. The only thing they can afford is their rent, have a few outdoor activities, and that's all they can do. Rent supplements have really opened up their lives so that they actually have that flexibility, whether it's eating more or socializing more, it's improving their quality of life in their final years and they certainly have appreciated that. It's been very beneficial.

My question now is a little bit different. I'm going to take a whole totally new tangent on this: the Airbnb. We've heard in the Legislature from some members opposite about their communities where affordable rental units have been - residents have been evicted - turned into an Airbnb, rents out a couple times a month, and it's the same price.

How often do you find that this is happening? Would you say that there's a percentage? Would our rates of available housing be different if it weren't for Airbnbs and what would be your suggestion for changing that? Is there a way to bring those back into the affordable housing sector?

CLAUDIA JAHN: McGill University just released a study on the Halifax Airbnb market. It was released in November and it identified that over 720 units were actually lost to Airbnb. If they would come back to the market, our vacancy rate would turn to the more healthy 2.6 per cent. Indeed, they play a strong factor; we could see this immediately in our work on addressing homelessness.

To your question of how that could be counteracted, it's really about policies and regulations. What other jurisdictions are doing is, they limit the ability for how long a unit could be used for Airbnb. The unit has to be owned; it could be just your own residential unit and then you can rent it. So this is in the works. I think they have public meetings that have taken place and the report will be presented to city council in HRM.

JIM GRAHAM: Just on that, the City of Ottawa has just gone down that road and is saying that unless it's your primary residence, you cannot Airbnb it. Their city is different than our city; they have staff in place that are already involved in inspection processes of different kinds, so they're quite able to do the monitoring. But they've taken that step.

THE CHAIR: Fantastic and thank you. Ms. MacLellan.

NANCY MACLELLAN: Thank you. We, too, are familiar with the McGill study and certainly have used it as a springboard for a piece of work that is underway right now in terms of the economic and social impact of short-term rentals in the market. We have some economists and some folks who are actually doing some work on that right now to get some hard data on the actual on the ground impact.

What I would say is that it is true; the number is about 720. What is unclear from the McGill data is how many of those are single family homes that were bought up for that purpose, versus those that actually return to the market. We don't know that they ever were actually in the market, so we think it's important to be able to have a good piece of research on that to see what the actual impact is.

I would say all of us would agree that having the tourism impact of short-term rentals can also have an impact in the economic spinoff of that, so how do we balance those things to make sure that we're not having an unintended impact on the affordable housing market while we're trying to increase tourism? I'm happy to say, with our colleagues in other departments, there is a piece of work under way. The Department of Business is involved with us - and Communities, Culture and Heritage, and others - to be able to have us have a really good look at that, province-wide.

THE CHAIR: Thank you all for the answers and back to the PC Party and starting with Mr. Craig again; one question.

STEVE CRAIG: Homelessness - perhaps, Mr. Grant, you'd talked about the work that was done and in Cape Breton, having a 24/7, 16-bed shelter and the funding of that.

[11:15 a.m.]

A couple of years ago when I was city councillor and actually spoke at the National Congress on Housing and Homelessness, one of the things we found is that the data was terribly skewed and missing. A couple of years ago, the number of homeless was 220 here, and when I dug into that with staff, I found out it was only in the shelters that they were measured. We have a homeless situation not only in Sackville, but throughout all of Nova Scotia. The dimension and how big or small that is is subject for discussion, certainly. My question is: How does the province determine to fund a shelter or not?

BRANDON GRANT: You raise a really interesting point about data. One of the things that we've embarked upon with this project is really identifying what data is available to us. Through this plan, we want to make sure that when we make investments that we have good data that supports it as well as broad community support for what's being proposed.

I know our friends at AHANS will be able to elaborate more, but one of the things we've relied upon is point-in-time counts that provide a window into how many folks are experiencing homelessness at a point in time. We've had some point-in-time counts available here in the metro area. The data that informed the decision around the Cape Breton shelter - they worked in partnership with Cape Breton University and conducted a point-in-time count, but also a week-long count in order to ensure that there are some good quality data around that as well.

We have funding that is available for the existing shelters. One of the things we've been talking to communities about with an integrated plan is, is there support to conduct a point-in-time count to really conceptualize and quantify what the issue is? Because again, the response might not be a shelter. It might be something else entirely. It might be additional supports for housing support workers. It might be making a strategic decision to utilize rent supplements.

It's really important for us to make sure that we understand the data on how many folks are experiencing homelessness, but also the barriers that those folks are experiencing, because we've adopted different program areas to account for different needs as well.

We've been working with different community groups that have identified their needs, but we're hopeful that communities are going to drive point-in-time counts to really conceptualize and quantify what the need is, and then we would engage in a conversation with them. There isn't a pot of money available for homeless shelters. We really want to make sure that we understand what the needs are so that we can make strategic decisions as government about what the best response is.

JIM GRAHAM: Through our work with the federal government's Reaching Home program, Halifax has moved away from point-in-time counts generally. We're working now on a system called coordinated access. We actually work from a by-name list, so we work with community service providers. We actually have a list of the names of the people and families that are currently homeless. As of yesterday, that number stood at 281 actively homeless people on the list. Of those 281, 167 of them are defined as chronically homeless. That means either six months homeless or over an extended period of time, accumulated six months homelessness.

In Halifax, we have a pretty good idea of the quantum. On Monday, thanks to the City of Halifax and their generosity, we've hired a suburban outreach rural worker to start to work with communities like Lower Sackville and Musquodoboit Harbour to engage with those communities in terms of homelessness and what that looks like.

When you move outside of Halifax, the face of homelessness is different, I think. There are three unfunded shelters in the province unfunded by government or unfunded by Reaching Home: one in New Glasgow, one in Truro, and one in Kentville.

I agree with my colleague, we need to operate from the basis of data. There are methodologies to do homeless counts in those communities. Unfortunately, our Reaching Home funding does not have the resources to allow us to actually fund that kind of research. I'm sorry to hear that he doesn't have it either.

We fund housing support workers in Antigonish, New Glasgow, Truro, Amherst, Kentville, Yarmouth, and Bridgewater. They are very active in working with folks who need housing. They're also very active at keeping people housed who are housed so that

they don't become unhoused. I'll be in Ottawa in a month; my message to them is I don't have enough funding to do what needs to be done. We'll see what happens.

THE CHAIR: Thank you, Mr. Graham. Ms. MacLellan, you wanted to add a couple of points?

NANCY MACLELLAN: Just quickly. I'll say that the work on the by-name has really been an amazing kind of experience for our folks and for the community partners, because it really is an example of all of us kind of working together to say who's out there and what do we have?

I think what both my colleagues have pointed to is the need for us to kind of work together on that but also to see what tools we have in our collective toolbox - whether it's a rent supplement, or it's a shelter, or it's permanent housing, or it's working with landlords, or it's working with developers. It really is about us making sure that we have a spectrum of tools to be able to solve a problem once we know the problem has been defined well and we know the magnitude of it.

The only other thing I'd say is, and I think you pointed out that there are three unfunded shelters in the province. I would say there are more than that and that there are pop-up shelters and well-intended folks in communities and churches around this province that are providing support to people in their own communities. Part of the work that Brandon and his team have been working on is, how do we wrap our arms around where that's happening and what the community needs are, community by community, and how do we make sure that we're adequately supporting that both from our partners who provide supports; non-profits and social housing, or our own housing folks, other government departments, and our colleagues at AHANS.

THE CHAIR: Thank you, Ms. MacLellan. We move on to the NDP. Ms. Susan Leblanc.

SUSAN LEBLANC: You did mention, Ms. MacLellan, that rents are rising at a troubling rate right now; generally when we ask about this in the Legislature, the government cites the fact that on average, rents are rising in Nova Scotia by an acceptable amount. This fact is frankly irrelevant to the folks who are being affected by unsustainable rent hikes in the hundreds of dollars per month.

Again, this is not just people living in low income brackets; this is middle income. I know of a retired teacher in Dartmouth North who is very troubled by the rent increases he's facing and doesn't know if he's going to be able to sustain the place he has been living in for many years. Many folks are on fixed incomes and simply can't be budged any further and it's like telling someone with a broken leg that it's not that bad because, on average, not many people break their legs. We need something and it's not a secret that our caucus is in support of rent control as a piece of this issue. It's obviously not a catch-all and the

end-all and be-all in policy, but we do believe in it and we think that, and we've put forward legislation.

My understanding is that when the Department of Municipal Affairs and Housing negotiates rent supplement contracts that they negotiate a controlled rental increase in those contracts. My question is: Is that the case and if it is, then where is the disconnect? If the province believes that it needs rent control when it's negotiating rental contracts, how come the province doesn't believe that the rental population in general who are not affiliated with Metro Regional Housing or Housing Nova Scotia doesn't need rent control?

THE CHAIR: Who would like to answer this? Ms. MacLellan.

NANCY MACLELLAN: What I would say is that the current policy direction from government is that the market will dictate the rent increases; that there's no current rent control, as you pointed out. What I would say is that we, within our programming, and as we work with clients, have worked to use the tools in our toolbox - like rent supplements and other things - to help bridge the gap between what you describe and is quite accurate as a fixed income in any rental increases that happen.

We have worked with landlords and with others to make sure that folks are protected. I appreciate that folks may not want us to see a 15-year time horizon, but that has been our historical kind of commitment on affordable housing where folks would maintain a commitment. We do have contracts with private developers when we make those affordable housing investments that they will meet the conditions of maintaining the rent and the services for a tenant for a period of time.

LINDSAY WADDEN: Just to what the deputy spoke to, under our affordable housing program, it is about providing a capital contribution per unit for both the private sector and community housing providers. Because of that capital contribution, there is an expectation that rents remain affordable for the 15-year period.

Within those agreements, we do build in those protections because we want to make sure that there is the appropriate return on investment, that we're able to serve the clients through those programs for that 15-year period.

THE CHAIR: Ms. Leblanc to clarify something.

SUSAN LEBLANC: I'm sorry to interrupt you. Yes, I understand those agreements also have those controls built in, but I'm talking about when a rent supplement is negotiated for a renter in a market building. An individual qualifies for a rent supplement, goes and finds a unit, and then that contract is negotiated. That's the rent control I'm talking about.

LINDSAY WADDEN: Similarly with our rent supplements, we do restrict the amount of increase. Normally, it's CPI, but there are exceptions to that. Again, because

we're subsidizing very low-income clients, we want to ensure that landlords that are participating can't increase their rents more than the CPI.

THE CHAIR: Ms. Jahn, would you like to add something?

CLAUDIA JAHN: The issue points again to the question of supply. As long as we have a low supply of non-profit affordable housing units, we will just be in the scarcity model, so rents will increase. You have rent control; they will still increase on a steady basis. However, we have no control on our income level: income assistance, minimum wage, and other income sources.

The only thing in the long-term to mitigate this for the low-income population is to have a really healthy, strong supply of affordable, permanently well-managed affordable housing stock. Just a quick example, in Centretown in Ottawa, when they started in the 1970s - same as Nova Scotia, we achieved 400 units in decline - Centretown has now over 1,000 units in their stock.

Just imagine, we would have 400 or 500 additional units and a steady increase over time. This would have a huge impact not only on our homeless population, but also low and middle-class families as well.

[11:30 a.m.]

THE CHAIR: We'll move on now to the Liberal Party. Mr. Jessome.

BEN JESSOME: Deputy, you made a comment about the support that the department enables for some of the boards that manage these properties throughout the province. I'm wondering if you can expand on the capacity of that support and, whatever that supports ends up being, how you determine that that is meaningful in that relationship? Perhaps Mr. Graham and Ms. Jahn can add some commentary around their experiences with these boards based on the support that they receive from the department.

NANCY MACLELLAN: Are you talking about the housing boards, or are you talking about the community and social housing sector boards separate from government?

BEN JESSOME: Now I don't know. (Laughter) As I understood it, I think the example that was used that kind of catapulted the response was around Tawaak. I don't know if it's engineers or if it's former landlords. What is that support that organizations or boards like Tawaak receive through the department? How do we determine that that relationship is working well, and what's involved in that support?

NANCY MACLELLAN: I would say in my time with DCS when Housing was with Community Services, there was certainly quite an articulate and robust way for folks who received grants from the department to be able to report on the work that they were doing and how that was being carried out.

In my time at Housing, I would say that we certainly do funding and there are certainly legal agreements that cover that, but I would say in my view it's less focused on the boards and how they're functioning that tends to be a little more one-off in terms of our experience with local developers and local organizations.

Our folks in the housing authorities do regularly meet with the community partners to look at what needs to be done, making sure the work is organized, and I would say that organizations like the Community Sector Council and others who provide governance, training, and leadership for folks who operate non-profit would be another area where I would say we have some reliance on them providing support.

On the Tawaak example, we're currently looking at how we're going to manage that funding with them so that they have an ownership obviously in that work. It's their units and their work, but how can we support them to make sure that they have the maximum chance for success? That may be us bringing our expertise to bear, other contractors that we have that have expertise and really wrapping around the organization to support them to make sure that they're able to execute on the work as expected and as they want to do.

CLAUDIA JAHN: As I mentioned in my presentation, most of the landlords - non-profit housing providers - come with a background in a social service field. So when you mentioned engineers or the board makeup, it really doesn't reflect managing or developing housing, so you don't have the architect, the engineers. However, there are organizations that are better equipped than others and mostly the ones where the mandate is focused solely on housing. They are much better equipped to do so.

In regard to support, it seems nationally with a decline or the end of any kind of agreement or when the federal government pulled out of housing, all the capacity declined. That is reflected in the requirement of the National Housing Strategy, that there will be investments and really bringing and building this capacity up. This is our opportunity for Nova Scotia to reach out to the non-profit organizations and establish highly professional organizations that are equipped to develop and purchase existing units.

JIM GRAHAM: For non-profit housing providers, the measure of their capacity and how well they're doing is actually reasonably simple. It's based on liquidity, so it's what your cash position is. It's based on replacement reserve because you don't recapitalize, so it's based on - have you put away enough money to look after your buildings in the future, and it's based on governance, so are those things being met? Are rents being collected? Is maintenance being done? That's really simple.

The challenge is the governance part. As my colleague alluded to, these are independent organizations that make their own decisions. If they're not making the right decisions, then what is the consequence of not actually meeting those standards and those

benchmarks? If you're investing in that kind of capacity, then you also somehow need to sanction that when those are not being met. That becomes the difficult part, I think.

THE CHAIR: We will move on to our last round. If we can make it a little faster, we're hoping to finish by 11:45 a.m. so that we can give you time to have some closing remarks. We have some committee business to do at the end as well. We are now moving to the PCs. Mr. Comer.

BRIAN COMER: My question will be for you, Jim. I think you made an excellent point in regard to lack of affordable housing, especially for single families, specifically those with small children. In my office at home, the majority of the calls I get are those single families with small children.

In your mind, from a public policy perspective, what would an effective program look like, and to your knowledge, has any other jurisdictions - whether it be nationally or internationally - successfully implemented such a program for affordable housing for single families.

JIM GRAHAM: I have to say right off the top, for single families, not particularly, no. I would say that non-profit service providers are generally community-based service providers and are much more engaged in what's going on in the community. They're more connected civically to what's going on.

In terms of other places, the gold standard for this is Vienna. They have had non-profit housing for 100 years. We need to move in that kind of direction.

THE CHAIR: We'll move on to the NDP - Ms. Lisa Roberts.

LISA ROBERTS: I want to pick up again a little bit on Mr. Graham's comments earlier about us needing to really change the way that we are operating with a view to long-term impact on affordability for many Nova Scotians. I wonder if maybe AHANS or maybe the department could comment a little bit more on how the need to do that matches up with the actual plans and targets under the three-year action plan under the National Housing Strategy.

Particularly, I'm struck that there's again a considerable commitment to rent supplements which we know - or at least I understand at my constituency office - are less and less effective. They're less effective because landlords can rent to many people because there's a lineup of people willing to fill out 10 pages of an application, so why would a landlord accept somebody who arrived with probably a poor credit score and precarious work? That's why they have a rent supplement - why would that be the person that you pick out of that lineup of people looking for your unit?

I'm struck that in the three-year action plan, we're still committing so much money to rent supplements, which we know don't move us anywhere along the path to where we

need to go. Does that band-aid even function as a band-aid, or is it simply a transfer of public dollars to private dollars? If that's the case, what could we do in the short term to spend our money better, given the critical situation?

THE CHAIR: The question is for who?

LISA ROBERTS: I'll start with Mr. Graham, but I welcome the department chiming in.

JIM GRAHAM: The first thing I would say is, I do not think that there is a short-term solution; I don't believe that. We're talking about what's essentially a fundamental change. Public housing is project-based subsidies.

When you move into a non-profit model, your subsidies are actually based on households because the Non-Profit Housing Society has to generate enough revenue to look after its housing interests, and it becomes the government's responsibility to provide the rent supplement subsidies to the lowest of the incomes who cannot afford whatever that threshold rent is to create sustainability.

There is not a short-term way to make a change. You need to adopt a path and say, this is the path we're going to walk. You need to realize what it's going to look like at the end. Take Centretown in Ottawa or even some old co-ops in Halifax that have been in existence since the 1970s - their cost rents are way below market now. You can live in the West End of Halifax in a co-op, if you're lucky enough, and you're probably paying \$600 or \$700 because it has been there for that long. You need to have that kind of vision and that kind of target.

The province owns \$1 billion worth of real estate - \$1 billion or more. I don't know; I haven't been there for a while. It's a lot. That's an asset and you need to lever that towards something else. You need to give housing some independence. You need to give it some marching orders and some independence and some latitude. Housing is difficult. There are no guarantees. You mitigate, but you can't guarantee. You can start down the road and an electricians' strike can throw you off.

You need to be able to operate. You need to take your opportunities when they present themselves, but you need to be moving. You need to start to move and you need to start to move with what you have. You can't just snap your fingers; it doesn't work. Can't do it. Can't. Cannot.

THE CHAIR: Thank you, Mr. Graham. Ms. MacLellan would like to add something.

NANCY MACLELLAN: I just didn't want to leave it - I wouldn't have characterized that we have a single reliance on rent supplements in this plan. In fact, I would say it is one of the tools in the toolbox and all of the things that I, Lindsay, and

Brandon - my colleagues at AHANS - have said around having multiple options to be able to move this portfolio forward and have it with stability and confidence, be able to look at the future and say what is this going to look like in 10 years?

Our federal colleagues did sort of articulate the parameters under which we were operating, which is 10 years, three-year plans, but we absolutely have the long game in mind in terms of what that's going to look like. I would say all of you know the best communities are those that are diverse. Those that have mixed income, mixed market, diversity mixed, residents and tenants living in them, and those that have a level of sustainability. If we continue the stigma of all the poor people living in that building over there that we can point to, we will not be the prosperous province that we all know that we can be.

For us, it is about stabilizing our existing portfolio, using all of those resources including rent supplements. No program is perfect, but also having an eye on the long game and sustainability. If you house all of the folks who are low income in one place in a rent-geared-to-income model, you are never going to have the money to invest in having that be a great place to live.

[11:45 a.m.]

As much as our staff and our housing folks work diligently to make those places as awesome as they can be, we really do have an eye on the long game of what this can look like for Nova Scotia where we have a model that is a sustainable, long-term, mixed use, mixed income, mixed market model that allows folks to have a safe and affordable place to be home.

THE CHAIR: Thank you, Ms. MacLellan. We move onto the Liberal Party and our last, but not least, Mr. Bill Horne.

BILL HORNE: I've been waiting for a while and a lot of this might have been already discussed, but I'd like to bring it back up.

Mr. Graham talked earlier about the non-profit model and it's not working and I'm wondering where you can find a model that may better fit our situation. You've discussed a little bit of those answers already, but I'd like you to continue on that. I think that's very important to understand that 20-year models probably should be organized first and then every three to five years, upgrade the plan to see changes and so on.

I'm just wondering what you consider as a good model that would work for a non-profit group. We in our community have tried to get at some of these apartments for a new complex in our area - 400 units - was built that large so it would be more affordable and they couldn't come to any agreement with getting that extra money on their own, so there's no co-op or supplement rentals at all, as far as I know at this point.

I'm just wondering if you can add more than what has been said. Maybe what has been done in Europe and Scandinavian countries that may improve the situation over a period of time.

THE CHAIR: Ms. Jahn.

CLAUDIA JAHN: Jim already alluded to Vienna, or if you want to go closer, it's Ottawa or other jurisdictions. It's really about non-profit housing corporations that are fully, professionally staffed, just like the private sector. They are fully supported financially.

This is a great time before we conclude to really point out the great opportunities actually out there through the National Housing Strategy. The financing tools through Canada Mortgage and Housing would allow 30- to 40-year financing, low interest. Unfortunately, we cannot access them because the non-profits are too small or don't have the expertise.

If Nova Scotia would be forward-thinking, it would set up a housing corporation. That corporation would then have access to these financial tools, and we could not only stabilize the stock - it's planned and very, very important - but at the same time, we could increase the non-profit housing portfolio significantly. Not only through the purchase, but new development, which is so important because it would be energy efficient, the requirements are very stringent, and they would be really beautiful and appealing to lower income families. I think that should be our goal as Nova Scotians.

NANCY MACLELLAN: As a follow-up to that, closer to home, I would say the B.C. model is the one that we've paid a lot of attention to. They've been at it 10 to 12 years. They have grown and established a community housing sector that really has started, I believe, with a bit more of a consortium approach where you leverage private sector expertise and the non-profit community housing sector so that you have all of the big brains at the table to be able to make sure that it's a long-term, sustainable model so that you're leveraging both capacity and capability and able to move forward.

We had a smart, capable group of Nova Scotia people together in November to do a single day on National Housing Day on what things could look like here. We look forward to leveraging the CMHC Community Housing Transformation Centre this month. We have some folks coming down to spend a week with us to talk about how we maximize the work that's under way and how we leverage expertise across the country while we maintain our strong relationships with our community partners and our social and community-based partners who understand the Nova Scotia market really well. We're looking forward to that as well.

THE CHAIR: Thank you, everyone. We can wrap it up with some closing remarks from Ms. MacLellan and Mr. Graham.

JIM GRAHAM: First and foremost, I want to thank you for the opportunity to come and have this conversation with you this morning. I do believe there's an opportunity to chart a new path. That won't happen without you. I feel very passionate about this, you may have noticed. I've been doing this my whole working life. Housing is so critically important to people's outcomes, all kinds of outcomes.

Right now, we have it wrong. It's wrong and we need to make it right. We have an opportunity to make it right and we need to make the most of it. Thank you.

NANCY MACLELLAN: I echo Jim's comments and share his emotion around the work ahead of us and why it's so important and why it's so critical. In my time at Housing, I have noticed, from the staff point of view, a passionate group of folks who have some pent-up, great ideas that they're ready to push out the door. We've had some great support from government on advancing the bilateral agreement and the three-year action plan. We have had a lot of folks who have knocked on our door, and we haven't said no to one person. Certainly, all the doors I've knocked on, folks have opened it up and asked, what can we do and how can we do this?

While I recognize the challenges that folks bring forward, I think we are really poised and have a significant opportunity now with a 10-year window of funding that's understood to be able to really do some things differently and have a modern approach to housing in Nova Scotia. I'm grateful to my team and also to all of you and to our community-based partners who will be with us on that journey. Thank you.

THE CHAIR: Thank you to everyone for coming. It has been very educational and wonderful. This is the result of a growing city and a growing province. As hard as it is, it's very positive for our province. I thank you again. We will take a two-minute recess while you guys leave the room.

[11:50 a.m. The committee recessed.]

[11:55 a.m. The committee reconvened.]

THE CHAIR: Order. We are reconvening the meeting. We have committee business.

We will start with our next meeting, which will be on February 4th. The clerk would like to confirm the witnesses. We have minor changes. The DM for funding for community arts organizations - we're still waiting to hear from them, and the DM will not be available. Can we have a designate that the DM will submit? Are we all in agreement? That one is done.

Also, the second question was the ED. Chris Shore is acting, and they have a new one. Is it okay to get the new one, or do you still want the acting? Are we okay with the new one? Ms. Miller.

MARGARET MILLER: How long has the new - is it the deputy minister, the new what?

THE CHAIR: I'm going to pass it on to Darlene because she has all the details.

DARLENE HENRY (Legislative Committee Clerk): I don't know how long he has been in this position, the new executive director. By my estimate, it has only been a couple of months maybe.

MARGARET MILLER: So they should be well-versed. That's fine.

BEN JESSOME: Point of order. Just before we run out of time here . . .

THE CHAIR: I'm going to do that, actually. That was what I was going to do. Ms. Roberts.

LISA ROBERTS: Ideally, we would like the invitation to be extended to the new executive director, but certainly with the encouragement that Mr. Shore accompany him so that there isn't an issue of not having information on a particular file.

THE CHAIR: That would be great.

Before we start the second item of business, we may run out of time. Is it all right that we stay another five minutes if needed? Are we all in agreement? Perfect.

The second item is a motion by the PCs. I would like Mr. Comer to read us the motion. Mr. Comer.

BRIAN COMER: I would like to say I'm very happy with the fulsome discussions we have here with the witnesses - highly educational for myself personally. I do find that the increase in witnesses has increased the time taken by presenters and reduced the time for questions. It's kind of moving us away from the purpose of the meetings, I think.

I move that the time for presentations be limited to 20 minutes total, regardless of the number of presenters, and the questions of the meeting commence no later than 25 minutes after the start of the meeting.

THE CHAIR: Are there any questions or remarks? Mr. Jessome.

BEN JESSOME: I would suggest that I appreciate the intention of the motion. I do think that our goal is to try to maximize the opportunity for questions, but I think there's a lot of value in some of the presentations that we receive as well. Today was an example. The presentations took half an hour to 40 minutes, and we still managed to circle the room and ask some good questions. I would suggest that I don't want the committee to handcuff

itself to that time limit. There should be an agreement that we try to maximize the number of questions that are presented by members, but I wouldn't want to see us handcuff ourselves when presentations are beneficial to the work of the committee as well.

THE CHAIR: Mr. Craig.

STEVE CRAIG: To the point of maximizing the effectiveness of the committee members in asking questions, that presupposes that we have a number of questions to ask. What I have found since being a member both of the Legislature and by extension here, is that we are limited. I have never heard somebody say I don't have another question to ask. How are we actually doing well in a Standing Committee of the Legislature, doing the work of the legislative body, unless we're able to fulfill and get those questions asked and answered?

[12:00 noon]

The option of the honourable member, Mr. Comer, is that simply if we can have people know up front full well what the expectation is, then they are able to focus their presentation, and then we are able to focus our questions as well. The option though is if we do not limit the time frame for presentations, and we do not limit the time for questions, it means to say that you would extend the committee meeting beyond 12:00 noon.

If we look at the basis of why we are having presentations and why we are seeking knowledge and understanding, and have whatever presenter is here, which we had set the agenda and put in our recommendations for this current calendar year, 2020, as to what is of interest to us, I think it's important that we do get to maximize our questions. That's the real thing here. This is one option to do it.

The other thing, which is not necessarily this, is why do we meet so infrequently? I come from a body that we meet more frequently to do the business of government. Although we're not government, we are a Standing Committee of the Legislative Assembly of Nova Scotia. When I got into the Legislature, I was absolutely astounded at how much opportunity I did not have because of the rules around that and time frames.

We're a standing committee. We have the ability, I believe, to set how we want to operate as a standing committee. I think the intent is to be able to ask our questions to seek understanding.

I note that we have four and four, if you will - four government members, four non-government members - and we're able to go back and forth, but not all of us had the opportunity to have the same number of questions, nor did we have the opportunity for a supplementary. Thank you.

THE CHAIR: Actually, today we went four times and each one of you have gotten two or three questions - and one question each. (Interruption) You got more questions than the average.

Let's go back to the motion, if you don't mind - Susan Leblanc, quickly, then Ms. Miller, and then we will vote on this motion.

SUSAN LEBLANC: I think it's a good motion, but I also recognize that probably, as my colleague just pointed out, it's not going to pass. I'm wondering if I can propose an amendment to the motion or a friendly amendment - I don't know what the difference is - acknowledging that possibly if the Liberal caucus does not want to support this motion, perhaps we could agree that the clerks are directed to suggest a time limit to the guests. For instance, if there are three presentations, suggest that they are seven to ten minutes each. Then with all good intentions, our guests will try to stay with that, and then we deal with the fallout from that if it doesn't happen.

Basically, a directive to try to limit the time without being hard and fast about it, given that there are times when we don't want to shackle ourselves to a time limit. I don't know if that needs an actual amendment or not.

THE CHAIR: If it's a friendly amendment, I guess Mr. Comer will have to agree first. If he doesn't, we will vote on both.

SUSAN LEBLANC: Fine, I can present it as a non-friendly amendment, I suppose - as an adversarial amendment. Never mind, I don't know what I'm doing. (Laughter)

THE CHAIR: I'll ask Mr. Comer if he is okay with the amendment, then we will vote on that one.

BRIAN COMER: I feel like if we do the friendly amendment, it kind of defeats the purpose of the initial amendment, so I would rather just stick to the allotted specific times so everyone's on the same page basically.

THE CHAIR: Ms. Miller, and then we'll do the vote.

MARGARET MILLER: Quickly, I believe that our presenters come, and they spend a lot of time and effort on their presentations to make sure, as our guests, they are informing us on the information they want. I believe as members that we do have adequate time, even though sometimes we only get one. We always know where they are. We always have that ability to call them later, to connect with them later, and ask those questions that possibly you didn't want to have in the committee.

Certainly, it opens that door and makes it available, and I believe that we have adequate time in the outlay of our committees at this point and would recommend that they stay.

THE CHAIR: I think we're past our time. We're just going to vote on the motion.

Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The motion is defeated.

Thank you so much.

I adjourn the meeting at 12:05 p.m.

[The committee adjourned at 12:05 p.m.]