

HANSARD

NOVA SCOTIA HOUSE OF ASSEMBLY

COMMITTEE

ON

PUBLIC ACCOUNTS

Wednesday, November 29, 2023

COMMITTEE ROOM

Investments in Affordable Housing Programming

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Public Accounts Committee

Hon. Kelly Regan (Chair)
Nolan Young (Vice Chair)
Tom Taggart
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Melissa Sheehy-Richard
Danielle Barkhouse
Hon. Brendan Maguire
Susan Leblanc
Lisa Lachance

[Hon. Kelly Regan was replaced by Hon. Zach Churchill.]
[Lisa Lachance was replaced by Claudia Chender.]

In Attendance:

Kim Adair
Auditor General

Kim Langille
Committee Clerk

James de Salis
Administrative Support Clerk

Gordon Hebb
Chief Legislative Counsel

WITNESSES

Department of Community Services

Melissa MacKinnon - Deputy Minister
Joy Knight - Executive Director, Employment Supports and Income Assistance

Department of Municipal Affairs and Housing

Byron Rafuse - Deputy Minister

Brian Ward - Executive Director

Pam Menchenton - Executive Director

Adrian Mason - Director, Housing Development and Partnerships

Executive Panel on Housing in HRM

Vicki Elliott-Lopez - Chair (Senior Executive Director, DMAH)

Jarrold Baboushkin - Executive Director, Housing Acceleration and Performance, DMAH



HALIFAX, WEDNESDAY, NOVEMBER 29, 2023

STANDING COMMITTEE ON PUBLIC ACCOUNTS

9:00 A.M.

CHAIR
Hon. Kelly Regan

VICE CHAIR
Nolan Young

THE CHAIR: Order. I call the Standing Committee on Public Accounts to order. My name is Nolan Young. I'll be chairing this committee. I'd ask to put their phones on silent. I'll ask committee members to introduce themselves, beginning on my left.

[The committee members introduced themselves.]

THE CHAIR: Just a note for everyone that we have officials with us from the Auditor General's Office and the Legislative Counsel Office. The Legislative Committees Office is in attendance as well.

On today's agenda, we have with us officials from the Department of Community Services, the Department of Municipal Affairs and Housing, and the Executive Panel on Housing in HRM with respect to Investments in Affordable Housing Programming.

I would ask the witnesses to introduce themselves, beginning with Ms. Knight on my far right.

[The witnesses introduced themselves.]

THE CHAIR: Welcome. I would ask Deputy Minister Rafuse to begin opening remarks, followed by Deputy Minister MacKinnon.

Deputy Minister Rafuse.

BYRON RAFUSE: Good morning. Thank you for inviting us here today to speak to you about Investments in Affordable Housing Programming. You are likely getting tired of seeing me, as this is my third time in three weeks, but for those of you who don't know me, I'm Byron Rafuse, and I am the deputy minister of the department of Municipal Affairs and Housing. At this time, I am also serving in the capacity as the interim CEO of the Nova Scotia Provincial Housing Agency.

I think we can all agree that everyone deserves a safe and affordable place to live. Right now we need more - more supply, more people to build, and more collaboration. Increasing stock takes time, hard work, and a willingness to do things differently, and it takes us all working together.

My staff in the department have been working collaboratively to do just that over the last couple of years, and we are beginning to slowly see the needle move. We are nowhere near done, but together we are making progress.

One major milestone of note is the recently released housing plan, which represents a \$1.7 billion dollar investment over five years in housing solutions for all Nova Scotians. I will echo what the minister said last month at the day of the announcement: This plan was not built in a boardroom. It was crafted using comprehensive data collected from the *Nova Scotia Provincial Housing Needs Assessment Report*.

This is the first time ever in Nova Scotia that we've had this level of data to help inform our way forward. Over 20,000 people from one end of the province to the other provided input into that process. This plan reflects voices and ideas from all communities.

The plan is called *Our Homes, Action for Housing* and is a multi-year strategy to drive our work with our partners to (1) increase housing supply, (2) grow and sustain affordable housing, and (3) deliver programs people need.

The needs assessment told us we will have a gap of about 41,200 units by the year 2027-28. The plan explains how we are going to fill that gap. When we do, we should see housing vacancies return to those of the 2016 level, which will enhance affordability significantly. The housing plan is our road map for the way forward, but I'd like to take a few moments to focus on where we've been the last couple of years.

While the plan was in development, we did not sit idle - not by any stretch. In fact, in your packages you'll see a document that reflects the housing announcements we've made in our department over the last two years alone. When printed, this document is over

185 pages long. That document showcases things like legislation to protect tenants from unacceptable rent increases and ways to cut red tape to ensure development can proceed as quickly as possible.

It shows that we've almost tripled the investment in rent supplements and doubled the number of people we helped in the last two years. In fact, just a few weeks ago, we announced program changes that will ensure more seniors with eligibility for a rent supplement, and those who are already receiving one will have more money in their pockets. It shows millions of dollars invested in the community housing sector to build their capacity to offer affordable housing options in their communities.

Through programs like the Community Housing Acquisition Program and the Community Housing Infrastructure and Repair Program, we are giving non-profits and community organizations the support they need, financial and otherwise, to preserve existing homes and strengthen organizations for future development and growth. Just recently we announced the Secondary and Backyard Suite Incentive Program which incents people with up to \$25,000 to share the costs of building an affordable suite in their home or on their property to enhance the stock.

We are investing in modular housing options for health care workers, additional housing for students, and temporary housing for people experiencing homelessness. The Executive Panel on Housing in the Halifax Regional Municipality has been hard at work to create the conditions to unlock 20,000 units to be built in the HRM.

We've taken significant steps to improve and enhance public housing in Nova Scotia with the creation of the Nova Scotia Provincial Housing Agency last December. The agency is focused on creating a new client service model, improvements to the existing stock, and investing in accessibility enhancements while we serve our most vulnerable residents.

The agency also manages over 11,000 units, and you are likely aware of our most recent announcement to add 222 new public housing units that will house 522 Nova Scotians. This alone is an \$83-million investment. This is one of the largest investments in new public housing builds since the 1990s.

I could continue for hours, but I respect my time limit and look forward to sharing more details with you over the next couple of hours. I will conclude by saying I know everyone in this room shares our vision for a strong future where all Nova Scotians have access to safe, affordable housing that meets their diverse needs. I look forward to our work together to support Nova Scotians.

THE CHAIR: Deputy Minister MacKinnon, did you have some opening remarks too? Deputy Minister MacKinnon.

MELISSA MACKINNON: Joining me this morning is Joy Knight, Executive Director of Employment Supports and Income Assistance. Her team includes a very dedicated group of staff working to address homelessness and supportive housing, who work very closely with the group gathered here today.

Community Services is an important part of the housing continuum, working to ensure people experiencing homelessness have the necessary shelter and supports to help them advance to more permanent housing. In the last two years, 449 new supportive housing units have been created. We have opened and stabilized 10 shelters, created an emergency weather response for people experiencing homelessness, and implemented diversion support funding to prevent homelessness.

Most recently we announced the public-private partnership to create a tiny home village in Sackville and a partnership with Pallet to create temporary shelter villages across Nova Scotia. Fifteen supportive housing buildings have been created with 147 units through the Community Housing Acquisition Program, which Deputy Minister Rafuse mentioned. At DCS, our budget to provide supports for those experiencing homelessness has increased by about \$25 million over two years.

None of this work would move without our service provider partners who work tirelessly within the very difficult context of our current housing crisis to help people find and keep a home of their own. In my very short time here, it has become clear that we are incredibly fortunate in Nova Scotia to be working alongside dedicated partners who have been engaged in this work as staff, and many as volunteers, for decades.

It goes without saying that it will take a focused and sustained commitment to address the root causes of the housing crisis, homelessness, and poverty, and that calls upon us all to take up this challenge. There is much more to be done, and we will continue to move as quickly as possible with our partners to help connect Nova Scotians to the supports and services they need.

THE CHAIR: Are there any other opening remarks? Seeing none, just for some of the new members here, just so we all know, the typical way of this committee is 20 minutes for each party. If you're in the middle of an answer, unfortunately at that 20-minute mark I'll cut you off. We'll start with the Liberal caucus. The time right now is 9:10 a.m.

MLA Churchill.

HON. ZACH CHURCHILL: So lovely to see such dedicated public servants, and very happy that everybody is working on this issue, which is affecting thousands of Nova Scotians from one end of the province to the other, whether they're dealing with homelessness or lack of affordable housing. The situation is certainly increasing stress on our population and creating issues in our hospitals as well.

My first question is to Vicki Elliott-Lopez: In terms of the special planning areas, these were announced in March 2022. There have not been many announcements for development. Have we done an analysis on the special planning area process compared to HRM's typical process, and have we done analysis to see if this is actually making development approvals faster or getting shovels in the ground more quickly?

THE CHAIR: Ms. Elliott-Lopez.

VICKI ELLIOTT-LOPEZ: When a special planning area is named, the HRM planning body is still the primary planning body. Developers still work very closely with HRM. They go through all the required studies, the development agreements, and so on. There are two key things that changed in the process. Within a special planning area, there's flexibility with regard to how public consultation is done. Public consultation is always still done, but it may be online if it's a minor amendment to the municipal planning strategy. It may be through meetings. The other key piece is that the minister takes the place of council. That is the time that's shaved off.

Within the special planning areas, HRM staff have made those a priority. I'd have to go back to the staff and ask them in terms of where the special planning areas would have been placed on their priority list versus where they are now. We would assume that it would have come forward as a priority.

ZACH CHURCHILL: I think we'd love to see any analysis at the committee that's done to point to whether this process has quickened up - getting shovels in the ground and getting developments done more quickly. I think that's very important for the conversation.

When it comes to affordability - we heard Deputy Minister Rafuse mention this again today - the housing plan seems to be primarily focused on market-based housing. We know that with interest rates being high, with labour being short, the cost of labour going up, the cost of supplies going up, we're wondering if the market is actually going to be producing more affordable housing. I think it is important to understand whether it is or not under the definition of affordable housing.

CMHC considers affordable housing lodging that costs less than 30 per cent of a household's before-tax income. Does the Province hold that same definition for affordable housing? My question is to the Chair of the Executive Panel.

VICKI ELLIOTT-LOPEZ: We align our definitions with CMHC, yes. What I will say, though, is that affordability means different things to different people. What I find affordable will be very different from what somebody making minimum wage finds affordable. That's why our programs offer varying levels of affordability. For example, when we enter into an agreement with developers or community housing agencies under our Affordable Housing Development Program, we look for a minimum of 80 per cent of

average market rent. That will be affordable for a number of people. That will bring them in line with that.

[9:15 a.m.]

In addition to that, we have community housing providers. I want to just correct what I'm going to say is a bit of a myth out there. Oftentimes people equate public housing with rent geared to income and make an assumption that they're the best non-market provider out there. We have a lot of community organizations that also offer rent geared to income. We want to support the community housing sector. We want to grow them as a really critical part of our non-market housing provision in Nova Scotia.

Again, everything from rent geared to income to 60 per cent deeply affordable up to 80 per cent of average market rent - we offer programs at all levels.

ZACH CHURCHILL: When the government says that they're creating affordable housing, does it meet the definition of CHMC of housing that costs less than 30 per cent of a household's before-tax income? When it comes to the special planning areas, is the expectation that the special planning areas are going to result in affordable housing that meets the provincial definition of affordable housing?

VICKI ELLIOTT-LOPEZ: With respect to special planning areas, the goal of special planning areas is to increase supply. We know the best way to achieve affordability is to increase supply. The Turner Drake study showed in spades that we just need to get more housing faster, and that's the intent of the special planning areas: to bring more housing to market faster, to bring them back to - I think the minister talks about the 2016 levels. Once we get a healthy vacancy rate, those market rates will come down and we'll achieve more affordability in the province.

ZACH CHURCHILL: The definition - when the Province uses "affordable housing", when representatives of the government or the minister use "affordable housing", does that mean housing that would meet the CMHC threshold for affordable housing, which is 30 per cent of a household's before-tax income? That's a question I would like answered, because affordable housing is a term that's thrown out there a lot, and I don't know if we've actually defined it in the province.

VICKI ELLIOTT-LOPEZ: When we enter into an agreement with a provider and they offer us 80 per cent of average market rents, that will achieve that level of affordability for some. Because there are varying salary levels in Nova Scotia and varying wages, the 80 per cent will meet that threshold that CMHA has defined for some people - 60 per cent will meet it for other people - and then through public housing, rent geared to income. Public housing also offers flat-rate rents. Across all of our programs, affordability means different things to different people, and our intent is to reach those varying levels of affordability across the spectrum.

ZACH CHURCHILL: I do think it's concerning that we don't have a definition that's being applied for affordable housing. I also think it's concerning that we haven't seen, despite the rhetoric around more housing faster, we haven't seen any analysis that suggests that any of the intervention that the Province has taken is resulting in more housing being built faster.

Furthermore, when you take into consideration the market factors, vacancy rate being key among them - which I think is close to zero right now - interest rates, building costs, labour shortages, the market doesn't seem to be producing affordable housing right now. In fact, if you look at any real estate market in the province, rural and particularly in Halifax and urban areas, the market has gone up pretty substantially. With the Premier looking to double the population and with housing starts actually slowing down significantly in the province, how are we going to achieve affordable housing and a healthy vacancy rate, which would be at 3 per cent with all of these factors? How long does the Province think, according to its analysis, that it will take to get to a healthy vacancy rate, which I think is assumed to be around 3 per cent?

My question to the Chair: Is a healthy vacancy rate around 3 per cent? What's the timeline to get there? If there's any more clarity that the Chair can provide on how the market is going to produce affordable housing, I think the committee will certainly be happy to hear that. Right now, it doesn't seem like the market conditions are such that affordable housing is going to be created through market forces alone.

VICKI ELLIOTT-LOPEZ: I can start, and then I may punt to the deputy minister. The statistics that we've looked at show that Nova Scotia housing starts did increase by 1.7 per cent between 2022 and 2023, and completion, which is the critical statistic that we want to look at, increased by 12.9 per cent from 2022 to 2023. We do hear from developers that things have slowed with rising interest rates, but with the tax measures that government has taken, we've also heard from developers that they're ready to pick up and start going again.

Deputy Minister, do you have anything to add to that?

BYRON RAFUSE: Certainly. As Vicki indicated, the definition of affordable is dependent on the individual. There's not going to be one definition. I just wanted to say we're not going to say this is what affordable means.

The housing plan is meant to address the spectrum of housing. We will intervene as we can across that spectrum. In some places it's rent geared to income, sometimes it is not. What your question is begging - the problem is that there is an issue with supply right now. We need to be able to increase supply. Once we have the opportunity or the ability to increase supply, affordability will be impacted. The housing plan speaks of targets and the intervention that the Province will be making to help achieve those targets. If we do so,

affordability will be achieved across the spectrum. It will mean that there will be more housing supply.

We do know that we need to do more in that area. Things like the HST relief do move the needle. There are other things that we can do. Developers are not required to have affordable units in their units. We try to incent them to do that through various programs, but until we get the supply to where it should be, the market of supply and demand will dictate that we have some issues to deal with. Increased supply is the answer.

ZACH CHURCHILL: We don't have a timeline on when that's going to happen. We haven't seen the interventions to date impact increased supply at the rate that we need. We have the Premier and the government still focused on doubling the population at a time when our housing system is collapsing under its current weight, and we don't have market conditions that are going to lend themselves to more affordable houses being built more quickly. We certainly see this reflected in the rent costs in Nova Scotia.

It was reported this morning that Nova Scotia has the fastest-rising rent since the 1970s. At 14.1 per cent, the province's current rate of rent inflation is also the highest in the country. We've seen the average rent for an apartment in Halifax go up to \$1,875, which has been a 20.6 per cent increase year over year, and for a two-bedroom, the average rent is now \$2,241, which is a 16.1 per cent increase.

These are very concerning conditions for people, and we're seeing the most acute symptom of a literal housing crisis. It's not hyperbole to say there's a housing crisis. It actually is one - the most acute symptom being the rapid rising rate of homelessness that we're seeing. Then there's also everybody else who's not experiencing homelessness but who's really feeling the cost pressures of living right now, creating stress. Even talking to ER doctors, we're seeing some of these folks showing up in the hospital.

There doesn't seem to be a real plan to deal with the affordability of the rental market, as well. We do have a rent cap right now, but it doesn't seem to be working in terms of managing rents. What is the plan to look at the rapid rising increase of rental costs in the province and the impact that's having on people? Is there a strategy to deal with that situation, outside of relying on market forces?

Again, market forces right now are creating an unaffordable situation, and we're seeing that show up in the rental costs. That's what the market's producing right now. We're seeing that in the real estate market. I think the lowest price on a townhouse you can see right now is probably half a million dollars. Trailers are going for \$350,000 to \$400,000 in the city. This is where the market's heading right now.

What is the government's plan, from an intervention perspective, to look at the rent costs, which are driving some people - some working people - out of apartments and into tents?

BYRON RAFUSE: I would say that the government's plan is outlined in the five-year action plan. That is what the government's strategy is to help deal with that. If you look at that plan and read it, there are a number of initiatives that are in place or planned that will help address some of the issues that you put forward. It will intervene and try to encourage more and faster development. There are programs to allow for more affordable housing units to be developed with partners in the not-for-profit area. There are aspects - and that addresses both homeownership and rental. In the rental area, the government has been quite clear that we're continuing on with the rent cap. It's been extended for a couple more years.

Those aspects, while the market adjusts and supply can come on stream, are the tools that the government will continue to use. As we said earlier, we're not finished. There will be more things that we will have to look at, and we will adjust accordingly. The plan talks about being nimble. We'll adjust and we'll move forward and find more ways to partner with those who are interested in providing affordable housing and those who are in it for market units.

ZACH CHURCHILL: Clearly there are insufficiencies in the current plan. Again, the plan is heavily reliant on market forces. Right now we're all experiencing what the market is producing right now. The rent cap obviously isn't working. We have the highest rental increases in the country. We have the highest rental increases since we've seen in the 1970s. Any new entries into the rental market are subsidizing and paying inflated prices to essentially subsidize those who are paying lower prices under the cap. That cap was supposed to be in place for two years. It's not working right now, particularly for those new entries into the rental market. Prices are reflecting that.

I'm concerned that we don't have a timeline on supply, that we have no analysis on how the special planning areas are actually going to increase the speed with which we're going to build more homes or apartment units more quickly. There's been no analysis conducted on that that's been presented that I'm aware of.

We also, Deputy Minister and Chair, haven't heard on what the timeline is for vacancy rates to increase. We don't have real timelines on when the supply issue is going to resolve itself, we don't have analysis on the interventions that have been taken so far on how well they're doing, and we don't have a plan to deal with the egregious increases in rental prices again that are driving working people who have jobs into homelessness at a rate that we haven't seen in our province. It's very clear two years in that we've got to rethink the strategy and the interventions that are taking place.

Again, the special planning areas. How many of the developments or units that are built in these special planning areas are we planning on being affordable? Sure, affordability is different, everybody's income is different, but when you use the definition of affordability as 30 per cent of a household's before-tax income, that's pretty consistently applied to every income bracket. There's a reason why the Canada Mortgage and Housing

Corporation uses that definition. I'm not sure why we're not adopting that definition here in Nova Scotia, because again, it is applicable to every single income bracket, and fairly.

I would like to know how many units in the special planning areas has the Province identified as being affordable or attainable housing and the prices that the government thinks those units are going to be.

VICKI ELLIOTT-LOPEZ: We would encourage developers to approach the Province to participate in our programs and have that conversation with them to promote affordability within the special planning areas. With regard to the analysis, what I will say is that this is unfortunately, I would like to say, a Canadian problem, the housing crisis, but we know it's actually a North American housing crisis and nobody seems to have cracked the nut on how to get housing on site tomorrow.

As government, I think our job is to create the conditions to facilitate those conditions, then we look to our partners, our developers, to tell us where we need to work to facilitate those conditions, and then we look to them to build. We know that there are forces working against that right now that are out of many people's control, but we leverage our policies, we use our legislative levers, and we use our funding levers to do the very best that we can to do more, faster.

THE CHAIR: MLA Churchill with 18 seconds.

ZACH CHURCHILL: The fact is that we can promote affordable housing, but developers who are dealing with higher interest rates, labour shortages, higher costs, aren't able to produce that. We've got special planning areas that aren't resulting in faster developments to date . . .

THE CHAIR: Order. The time has elapsed. The NDP caucus, MLA Chender.

CLAUDIA CHENDER: Most Fridays, I knock on doors in Dartmouth South because I'm away from the constituency a lot these days, and I try to figure out what's going on with people. A couple of weeks ago, I went and knocked on doors on Gaston Road - which, when I was elected, was one of the last bastions of what we would call affordable housing in Dartmouth South - because we had gotten a note from a legal aid worker who had told us that there were egregious illegal rent increases happening right across that area.

Sure enough, we knocked on a door, and in this building which had six units, most residents were paying between \$800 and \$900 a month. They had all received a letter saying that their rent would go up to \$1,350 in the new year. At most doors that I knocked on, they immediately produced this letter and said, "Look at this letter we got. Are we going to be homeless?" I said, "No, that's illegal. You all have continuous leases. There is a 5 per cent rent cap. That's not going to happen."

[9:30 a.m.]

I spoke to a mother and her son who live together, and she started to cry. She said, “Well, thank God, because we had already started thinking about what it would be like to live in a tent.” I’m not making this up. This is literally a conversation I had on the doorstep.

I will just add that I then, unfortunately, knocked on the door of the superintendent, who told me exactly where I should go, and that he didn’t care if it was illegal, and that he would happily go to court because landlords have to make money too.

This is the situation that we’re facing on the ground - people who are actively planning to live in tents. Against that backdrop, I want to say that for the people in that building, that \$800 or \$900 a month probably was affordable in that definition of 30 per cent. I guess I would echo some of the comments of my colleague and say that of course, affordable/attainable depends on your income level, but it’s always going to be that 30 per cent of your income level. I have a hard time understanding why the government won’t, in fact, adopt that definition of affordability. Yes, if you make \$200,000 a year, 30 per cent of that in rent is going to be attainable or affordable. Name that. Name that percentage. That’s why we do rent geared to income - so that we know that people can be renting things or buying things that they can afford.

Ms. Elliott-Lopez spoke about the need to enhance and build the non-market housing sector. I couldn’t agree more. But I would say in the last 25 minutes of listening to presentations, there was that one comment from you and then a huge argument presented for what I would call trickle-down housing, which I don’t think works. Yes, we need supply. I don’t disagree with the numbers. We need supply at every level. We need supply that is attainable to people who make \$250,000 a year, and we need supply that is attainable to people who make \$50,000 a year or \$30,000 a year, or who might be on income assistance.

Then the question becomes, What do we prioritize? Yes, we can all walk and chew gum at the same time. The number of you here demonstrates that there are lots of people working in different areas of the system, but I think the challenge that we face trying to understand this issue and to crack this nut is that we hear a lot about trickle-down housing and how supply will solve our problems and how the answer to the housing crisis is more housing. We don’t hear very much about strengthening the non-market housing sector and making sure that the people in the most need get the housing that they need.

We could go on and on about trickle-down housing. We could talk about that off-line. I firmly believe that it doesn’t work. Yes, we need supply. Absolutely everybody needs supply. Will that in any meaningful timeline drive down the price of housing? Not for the people whose doors I knocked on on Gaston Road, not for any of the constituents that I have or any of the people whom I talked to around the province who are in core housing need. There are thousands and thousands of them. Those people aren’t going to

wait 5 years, they're not going to wait 10 years, they're not going to wait maybe 15 years for supply to drive down pricing.

I'm not sure, but I think the question is for Mr. Rafuse: What is the investment in strengthening that non-market housing sector - I know there are programs - versus expediting private-sector development? We hear a lot about special planning areas, and I'll ask about that next. We hear a lot about that.

Can you quantify for me, in terms of dollars, programs, and staffing, how we are juggling those two things?

BYRON RAFUSE: Before I turn it over to Adrian to get into our programs where we do support those types of non-market housing, I just want to reiterate that our analysis does show that increasing supply will have an impact on pricing. With our intervention across the board, the spectrum of housing, we hope to get at those areas across the whole spectrum, including affordable housing for the low income.

We do use rent geared to income in our public housing rental agreements. We do use a definition of 80 per cent of market for affordability in new development, and we do use the aspect of the HILs aspect - all CMHC usages of affordability and eligibility for programs.

I'm going to hand it over to Adrian.

THE CHAIR: Quickly, MLA Chender.

CLAUDIA CHENDER: I'm aware of the programs. I don't need a list of the programs. I'm asking for a quantification of the amount of money spent expediting private-sector development versus the amount of money and energy spent on increasing and supporting the non-market housing sector. Briefly, please, because I only have 20 minutes.

THE CHAIR: Mr. Mason.

ADRIAN MASON: I think we would agree that one of the core pillars of the action plan is to build capacity within the community-housing sector. When I refer to "community housing," I'm obviously referring to all non-profit or co-op housing.

In 2020-21, government spent \$6 million on that sector. Last fiscal, 2022-23, they spent \$60 million, so a tenfold increase on that sector. Roughly half of that \$60 million was in growing and sustaining the sector and roughly \$30 million was expanding it and growing and creating new units.

The Affordable Housing Development Program, which incents the construction of new affordable housing, generates just over 300 new units a year. Roughly half of those

will be in the community-housing sector. It was just under 50 per cent last year and it's expected to be just over 50 per cent this year.

We've had a suite of new programs that we've introduced in the last year, some of the first in Canada. The Community Housing Growth Fund - I know you don't want a roll-down on all the programs, but it was the first in Canada. It's proven to be fruitful. We've invested more money in that since it started. We spent about \$2.25 million in the first year, October to October.

The Community Housing Acquisition Program was the first of its kind in Canada. To date, we've loaned just over \$21 million to non-profit organizations to acquire the kind of buildings that you're referring to in Dartmouth South. That's generated 436 new units, 141 of which are going to be deeply affordable supported-housing units.

Last year, 2022-23, government invested just under \$20 million - \$19.7 million - through the Community Housing Infrastructure and Repair Program to help repair and maintain about 450 community-housing units, and hopefully will expand the life of those units going into the future.

CLAUDIA CHENDER: Okay. Well, we didn't hear about the private-sector investment, but maybe we'll get back to that.

Just one note - the Community Housing Acquisition Program, that's not new units. That's preservation of units. Quickly, is that correct?

ADRIAN MASON: Correct.

CLAUDIA CHENDER: Okay, thank you. Glad to see these efforts. It still feels to me like we have the kind of freight train is going in the direction of opening up development for private sector. Again, we understand the need for supply. We are not arguing against supply. We're arguing against where the bulk of our efforts go as more and more people are sleeping in tents and there's frost on the ground.

I'll move on to asking a few questions about the task force, which I know that we were just talking about earlier. Can the Chair of the task force tell me how many applications for new special planning areas are currently before the task force?

VICKI ELLIOTT-LOPEZ: We don't have that statistic at our fingertips. We get several inquiries. We can get that, though.

CLAUDIA CHENDER: In the first round, my understanding is that there were 23 applications and 9 areas selected in that first batch. I know there's been one subsequently. Is there analysis or criteria that you could table that was used to select these areas, or that is used currently to select these special planning areas going forward?

VICKI ELLIOTT-LOPEZ: Yes, we do have criteria. Just give me one moment.

They are posted on the Executive Panel website. Things that we look at are site suitability; transportation, ready or funded; mix of housing types and alignment with regional plan; community benefit; developments feasible to translate into built units; and priority alignment with provincial/municipal housing priorities such as land for housing, provincial housing needs assessment, non-profit, et cetera.

With regard to the special planning areas that came forward, they came through - the ones that were considered in the first round through the executive panel came as a recommendation from HRM staff.

CLAUDIA CHENDER: Against that backdrop of the few criteria you read, I'm wondering in particular about Sandy Lake. There is a push to accelerate the background studies at Sandy Lake. My understanding was there was a year given for those background studies, now there has been an ask that those studies be completed in six months.

Sandy Lake, for people who aren't familiar, is an unserviced site. It feeds out onto the Hammonds Plains Road which has extreme traffic pressures already. It has a large degree of very sensitive environmental features, including old-growth forest stands, wetlands, things of that nature. Why would this particular development - and I'll ask about some others - I'm just curious if you can answer why the need to expedite this development in particular? First of all, I understand that the task force part of the role is to adapt, if needed, the possibility of community consultation, but were you to consult the community in-depth, you would find a great deal of opposition to this. That doesn't in itself mean that it shouldn't go ahead, but it should cause some pause.

Why this project, given that it only loosely fits into the criteria that you just presented?

VICKI ELLIOTT-LOPEZ: One of the criteria I forgot to mention - which is actually a key criterion - is potential number of units. Sandy Lake actually does represent thousands of potential units. It was identified as a growth node by HRM staff; it was one that they felt should move forward. It's going through all of the required environmental/transportation studies, and the results of those studies will be used to determine the forward path for Sandy Lake.

CLAUDIA CHENDER: Then why is this one being expedited as opposed to other special planning areas?

VICKI ELLIOTT-LOPEZ: By the very nature of naming something a special planning area, they are expedited. We have six with development agreements to date. Sandy Lake, with regard to the studies, because of the growth potential and the readiness to start, it was determined that those studies should go forward quickly.

[9:45 a.m.]

CLAUDIA CHENDER: We will continue to ask questions about Sandy Lake. I would also suggest that maybe there is a desire to not let the wings beneath the people opposing that project grow too large because there are certainly a lot of people who are deeply concerned.

I would invite anyone to go through and see the stands of old-growth forests there, to drive the Hammonds Plains Road at rush hour, and think about whether this massive new number of units is going to be a net benefit to that community or whether they could more properly be built elsewhere. Not arguing that it does need to be built. Also, that key affordability piece: Are these homes that people who are in core housing need are actually going to be able to move into now?

I want to juxtapose that project with Dartmouth Cove. We have a piece of land owned by the Province at Dartmouth Cove. I know that it was originally considered for a special planning area. It was not determined at that time that it should be one. It's serviced. It's in downtown Dartmouth. It's on transit. It is surrounded by an area where developers are thrilled to be building. We have private sector development going up all around the site that the provincial government owns, and that site sits fallow, except for maybe it'll be an access point for a dump - who knows.

My understanding also is that there is actually a plan that is ready in the department for this to go ahead. This has been talked about for a decade. Can you shed any insight into why this land is not being developed? We heard from the Minister of Public Works that it's by the ocean, which didn't quite pass muster for me in terms of a reason. Maybe someone else can illuminate why this site is not moving ahead.

VICKI ELLIOTT-LOPEZ: I'm trying to think back to Dartmouth Cove and why it didn't move forward. I believe that there were significant issues identified with that piece of land that needed to be remediated before it could move forward, but I can confirm. I'm not aware of any plan on development that's been in the works for a decade. My apologies.

CLAUDIA CHENDER: Well, if you go back and find that information, I would love if you could provide it to us. Yes, of course there is remediation - it was a former industrial site. That remediation can be capped. The private sector development in that area in all of the adjacent sites are currently doing that. There are a number of developers who I believe have expressed to me that they would work with the Province to make sure that site gets developed. That will essentially, for those of you who haven't been in Dartmouth Cove, be a whole new residential area. It's in everyone's interest who has a financial interest in that, that all of the sites get developed. I think there is a huge opportunity there.

I know my time is short. I guess I want to end this section by asking about some of the issues around other sites that are not being built. One of the things that we hear a lot

about as MLAs who are predominantly in the HRM area and CBRM are the large urban housing sites not owned by the provincial government that are sitting fallow. St. Patrick's-Alexandra School comes to mind; Bloomfield School, which the NDP government earmarked for affordable housing, and then the Liberal government scrapped comes to mind; the old St. Patrick's High School. I'm not talking out of turn - that is what happened.

I wonder whether there is any program or policy in the works. We've suggested a vacant land tax - a permissive ability for HRM to tax developers to incentivize them to build and not land bank on these vital sites that can support a lot of housing. Is there any conversation happening from a policy perspective about how to move these kinds of vital housing developments along?

BYRON RAFUSE: We've heard the suggestion that there should be a vacant land tax. I'm not sure where HRM is in their thinking. Right now, we are going to continue down our road with our current programs to expedite processes through the panel, and to incent developers through things like the HST rebate and those mechanisms. Right now, I don't have that.

THE CHAIR: Order, that's time for the NDP questioning. We'll move over to the PCs.

MLA Taggart.

TOM TAGGART: Just before I start with questions, I want to say we're here on investment in affordable housing, and I'm looking across the table here at senior executive director, deputy minister, executive director. The government has put a tremendous amount of input and effort into dealing with this housing crisis. I just want to get that out there.

My first question is to the Deputy Minister of Municipal Affairs. Do you know of federal land holdings that could easily be transitioned for housing or assist with the housing crisis? If you do, where?

THE CHAIR: Deputy Minister Rafuse.

BYRON RAFUSE: I'm going to defer that to Adrian who has a better line of sight on that.

ADRIAN MASON: There is a federal lands initiative that does make land available at either minimal or no cost where there's a proposal to build affordable housing. We are working with them on one particular project at the moment, and looking to expand and see what other opportunities are out there.

TOM TAGGART: This one is to the Deputy Minister of Municipal Affairs as well. The Province has received national recognition for the Community Housing Acquisition Program. Can you highlight its purpose and reasons for success?

BYRON RAFUSE: I'm going to defer that to Adrian. Again, he has better insight on that.

ADRIAN MASON: At the time when the program was developed, there was a recognition of multiple renovictions. That caused us great concern - of particularly older property that was naturally affordable - tenants being evicted, repairs being made, and then the rents obviously increasing significantly. Government was looking for a mechanism to help try to ensure that community housing organizations had an option to try to compete and acquire these buildings when they were put into the marketplace.

The terms of the loan are attractive compared to what may be obtained from a bank. Most community housing organizations wouldn't be able to borrow money from a bank, so it's unique in that sense. We've also been working very closely with our colleagues in the Department of Community Services because we also recognize there's an opportunity to try to create some deeply affordable units in these older buildings.

I mentioned earlier another program: the Community Housing Infrastructure and Repair Program. One of the challenges of buying older buildings is that they do often come with maintenance issues. If we want to ensure that the lifetime of these buildings is extended, then it's important that there are going to be some repairs and maintenance. So the Community Housing Infrastructure and Repair Program has become a very significant program to help the community housing sector.

TOM TAGGART: This is to whoever the proper person is within the Provincial Housing Agency. Where do you see the largest single hurdle to overcome since bringing the five housing groups under one umbrella and consolidating that focus?

THE CHAIR: Ms. Menchenton.

PAM MENCHENTON: We've become an agency. Our anniversary is coming up, as a matter of fact, on December 1st. We have a year under our belts. There are a lot of things that we have overcome, and I'm proud to say that we've been able to make a difference as far as our clients are concerned. We've reduced wait times by 10 weeks on average. Our vacancy rates are down to 2 per cent, which is a historic low for us. We've also reduced our unit turnaround time by 21 per cent since the last time we spoke about it. Those things are really positive, and of course that affects people who are waiting on our wait-list for homes.

As far as hurdles to overcome, I think we're incrementally getting over some of those hurdles. It's a huge culture shift that has to take place when you bring together five

separate entities under one roof, under one agency, so I would say that we continue to work on those changes. We have a really strong, fantastic senior team, who are brand new as well. They've really been helping us a great deal to bring some of those imperatives to life within our districts, as far as our main goal for everybody to get people off our wait-lists as quickly as we can into our housing.

TOM TAGGART: That's great stuff. Sounds like you're succeeding.

How many actual units do you folks manage, including the ones that you supplied for the Department of Community Services?

PAM MENCHENTON: We have 11,200 units that we have under public housing management. We also, as you said, manage a number of DCS units. I'm sorry, I don't have the number off the top of my head. Maybe my Community Services colleagues do. But that said, we do help them out as well.

We have legacy units that are also in our portfolio. I'd say we have about 1,200 of those. We're looking now, over the past year and also in the time to come, at how we're going to morph those into our regular public housing portfolio.

TOM TAGGART: My final question: Those legacy housing projects, can you explain that to me a little bit, and what your role is there, and what a legacy housing project is?

PAM MENCHENTON: We've inherited some of these legacy programs from the federal government. I'll put it this way, we've had some programs that hadn't worked out while it was with another group - like a Legion, for example - that have come over to us, and we manage those properties. There are a variety of ways that they've come to us. We property manage an affordable housing program that used to be with the formerly named - I'm not sure what it was in the past - DMAH. That's now coming to our program, and we property manage those. So there are some different rent structures, and we're looking at all of that now and trying to bring some consistency across the entire portfolio.

THE CHAIR: MLA Barkhouse.

DANIELLE BARKHOUSE: I'm going to direct this toward Deputy Minister Rafuse, but Mr. Mason had brought it up a few minutes ago - the Community Housing Infrastructure and Repair Program. It has provided \$20 million in investment in local communities. Can you discuss this program and its intent?

THE CHAIR: Mr. Mason.

ADRIAN MASON: The intent of the program is to repair existing affordable housing units that are owned by community housing organizations to maintain their lifetime and use.

Any community housing organization that owns housing is eligible for the program. Applications opened just recently. It's for repairs for anything external envelope - windows, roofs, siding - and internal repairs as well. One of the only conditions of the program is that the organization applying does need to have a financial sustainability plan. They need to be able to demonstrate how these repairs and how this investment feed into their wider long-term financial planning to ensure the affordability piece is the key, particularly in a high inflationary environment.

Last year, the program repaired 450 units. As I said, applications have only just opened this year, so we're not quite sure what it's going to look like this fiscal, but we would anticipate it being something similar.

DANIELLE BARKHOUSE: I'm just wondering - this is for Deputy Minister Rafuse. Are you reviewing the rent supplement program? What have been the barriers to expanding this program, and what are the pitfalls of the program?

BYRON RAFUSE: Over the last couple of years there have been some changes to the rent supplement program as we geared to expand the usage of that program. One of the barriers, I would say, is that we have more applications than we can deal with. It just caps out as a program. We're continually looking at applications there. We did do a review this Fall that changed the way in which it addressed seniors. It actually allowed for more seniors to get more money into their pockets.

There is always going to be a program evaluation to see whether that program can be enhanced, or whether it can better serve the clients it is intended for.

DANIELLE BARKHOUSE: What are the initiatives that the department has under way to help preserve and expand affordable rental units in this province?

BYRON RAFUSE: I'm going to turn that over to Adrian.

ADRIAN MASON: There are various tools which we are currently using. Looking at existing programs, we launched last year the Land for Housing Program where we're making provincially owned land available to both private and community housing developers to build housing on the condition that some of those units remain affordable. To date, eight projects have been approved to move forward to the next stage. Of those eight, five are with the community housing sector, three are with private developers.

The Affordable Housing Development Program provides capsule contributions toward the construction of new rental housing where, on the basis that some of the units

are affordable, contribution is directly toward each of those affordable units. The program was amended last year to make it more available to the community housing sector. We reduced the equity requirements, for example. Also, the capsule contribution is directly commensurate with the social outcomes that are delivered. Therefore, community housing groups tend to hit higher social outcomes because they tend to offer deeper affordability in perpetuity. They would trigger a higher capsule contribution.

[10:00 a.m.]

We've mentioned a couple of the programs available already - the Community Housing Acquisition Program helps acquire additional units, the Community Housing Infrastructure and Repair Program, which we just mentioned, and we have the Community Housing Growth Fund. One of the challenges we have in Nova Scotia is that we don't naturally have a very strong or deep community housing sector. In the background, the important thing that we need to ensure we're doing is building capacity within that sector. The Growth Fund is intended to do that.

There's funding available for capacity building, for innovation research, for planning and pre-development; for helping to both establish new organizations, to help existing organizations improve their capacity and their financial planning, and then also help to sow the seeds for growth going into the future.

DANIELLE BARKHOUSE: I'd like to ask: What are the key initiatives and the associated investments to increase supply in the five-year housing plan? That could be to Deputy Minister Rafuse, or I think everybody needs an Adrian. Maybe Adrian or whomever can answer that, actually?

BYRON RAFUSE: I will start, and then we'll see if others can add in. In the five-year housing plan, if you recall, it had three themes involved and a number of initiatives attached to each one of those themes.

The first one was around increasing supply. If we look around at what we've done or what we're planning to do to help increase supply, I'd be remiss if I didn't repeat the announcement of new public housing units that will be built over the coming years - where we're going to build 222 new public housing units in four communities across the province. We have participated in a pilot to build 52 tiny homes - a tiny home community. We've announced the Secondary and Backyard Suite Incentive Program to help increase supply on an affordable basis within existing houses.

One of the things that we have now is we did match with the federal government on the relief of the tax for multi-use - or multi-unit apartment buildings and we're hoping that will move planned developments from that wait aspect, to move them along so they start putting shovels in the ground. As I think we indicated earlier, a number of developers

have indicated that has moved the needle for them, so then we'll move on to things that have already been planned.

We have supported 38 new units for vulnerable populations under the rapid housing initiatives. We've made legislative changes to help expedite the development process with HRM. We have made changes to the short-term rental market so that we can encourage some individuals to put those units back onto the housing market for longer terms to incentivize that area of the market.

We have also, as a government, accelerated the investment into skilled trades. One of the issues that many of our developers are facing is a lack of skilled trades, so we are working with our partners at the Department of Advanced Education and the Department of Labour, Skills and Immigration to get more skilled labour into the province or expedite the apprenticeship program through changes to the apprenticeship program or to encourage more people to enter into the trades. There is a shortage that has been identified, and I would say it's across the spectrum, from carpenters to building inspectors, and we're trying to intervene everywhere we can.

I could go on. We've announced more long-term care beds for seniors. Sometimes people don't realize that actually helps the housing supply issue across the board. As we make more room for seniors in long-term care facilities, that frees up housing in communities. Many times a senior would be in an overhoused situation waiting for placement. This allows an opportunity for a family to move into those units.

I could go on and on, but that gives you an idea of things that we've attempted to increase supply.

DANIELLE BARKHOUSE: It is a puzzle. You add on the 620 student residences over the last - it all helps. It leads me to ask a question. Immigration and population increase are crucial to our province's growth and prosperity, but there is no question that having more people significantly impacts the rental markets. What are we doing to protect Nova Scotians from rising rental costs?

BYRON RAFUSE: As stated earlier, we do look at supply as one of the ways that we can protect Nova Scotians. Additionally, we've worked with our partners in those key sectors where immigration is a necessity for their workers, predominantly in the health care sector, where we've participated in the housing for health care workers so that they obviously can have a place to live but don't put an extra strain on the communities into which they're moving.

We continue to work across the province to help individuals through our rent supplement program, which helps individuals all across the province. They have to be residents of Nova Scotia to participate in that. That helps them in that aspect. Again, we

believe that if we provide the tools to incent and supply, it will not only address the needs of growing our population and immigration, but the needs of the current population.

DANIELLE BARKHOUSE: Perfect. I'll pass it on to MLA Sheehy-Richard.

THE CHAIR: MLA Sheehy-Richard.

MELISSA SHEEHY-RICHARD: I think I only have a couple of seconds, so I'm just going to - a minute and a half? I'm just going to ask Ms. Elliott-Lopez a question: Being the new chair of the task force, can you please provide us with some insight as to why it was deemed necessary to create the task force in the first place and to create this new panel?

THE CHAIR: Ms. Elliott-Lopez, with 50 seconds.

VICKI ELLIOTT-LOPEZ: The Executive Panel on Housing in the Halifax Regional Municipality, as you know, was created as a temporary mechanism. It has a sunset clause of next Fall 2024. The gap in housing within HRM when the panel was created was estimated to be about 17,000, and according to the recent needs assessment, had risen to 17,500 as of December 2022, and it's expected to grow to 31,000 by 2027-28 without intervention. That equates to about 6,000 over status quo to meet projected demand and address the gap. We know that with the gap in housing, everybody here has agreed today that housing prices and rents have increased exponentially, and again, we go back to . . .

THE CHAIR: Order. We'll move into our second round of questioning where each party will have approximately 10 minutes. MLA Churchill.

HON. ZACH CHURCHILL: Just quickly, I don't think the link to long-term care facilities in housing is accurate. That's not going to take pressure off the housing market. That's going to take pressure out of our hospitals. There's a big wait time with seniors in hospitals waiting for those beds. That's who's going to take up those spaces. It's not going to be seniors leaving their homes; it's going to be seniors in hospitals who need care.

I have some questions for Deputy Minister MacKinnon on the homelessness situation. According to Affordable Housing Nova Scotia, we've got well over 1,000 people in Halifax who are homeless right now. We know that the tents they've received are also Summer - they're not all-season tents. We're really concerned about people freezing and potentially perishing this Winter. Has the department looked at available community halls and church halls that might be made available to provide emergency shelter to these folks who are experiencing homelessness as we enter into the cold season?

MELISSA MACKINNON: Yes, what I'm finding in this new role is that there are a lot of people and organizations out there who want to step into this to help come up with solutions. We've made significant investments. Obviously, what's important with each

arrangement that we've set up - whether it's a shelter or supportive housing - is that the supports are there.

I have had initial discussions with colleagues at the Department of Communities, Culture, Tourism and Heritage who also fund some of these community organizations and spaces in that infrastructure. I've had those conversations with Deputy Minister Rafuse as well on what is the art of the possible there. There are organizations - I met with one just a couple of weeks back. The Evangeline Club in Kings County is doing that kind of work.

The key for us, I think, is to ensure that whatever organization or facility we work with is connected to a service provider. It's very complex work. There are folks who may be suffering, by no fault of their own, with mental health and addictions issues. We need to make sure those supports are available, whatever spaces we use. We will have a conversation with anyone at this point who has space available.

ZACH CHURCHILL: And we know those services aren't available in tents right now.

The 200 Pallet shelters that were announced in October - the CEO of that organization isn't answering media calls. We don't know what the timeline is to get those in place or where they're going to be. Are there delays in getting those 200 Pallet shelters made available as quickly as possible?

MELISSA MACKINNON: I'm pleased to have an opportunity to talk about pallets a little bit and might ask Ms. Knight to chime in here. We're aiming to have those up and ready this Winter, as the minister has said. It is a pilot. No Province - none of our colleagues have done this before, so we are working through some really important issues.

These are not just - I think people think of wooden pallets. They are very much not that. They are communities that we want people to live in and be well supported. We want the surrounding communities they end up in to support them. We know what the outcomes can be when those supports aren't there. Things like - there are fencing pieces. We're working with the Department of Public Works to identify all of those pieces of land, and they need to be serviceable - water, for example, running washrooms, food services. They also need to be attached to a service provider. Pallet, the company, has its own dignity standards that we'd need to meet, and we're taking those very seriously as we roll these out.

ZACH CHURCHILL: We're in Winter now. We're experiencing below-freezing temperatures. We still don't have the timeline on when these shelters are going to be in place. I'm concerned that we may lose people or people are going to get desperate and take desperate action, which is a growing concern for local businesses, homeowners, and community members as well. If the deputy minister could provide a timeline on when those Pallet shelters are going to be in place, I'd appreciate it.

Also, we have not heard where the 100 Pallet shelters outside of HRM are going to be located. Could the deputy minister please provide this committee with an update on where those shelters are going to be located?

[10:15 a.m.]

MELISSA MACKINNON: I want to have the information from the Department of Public Works before we commit to a precise timeline, which we'll have probably over the next couple of weeks. We have the HRM sites, which we've identified a number of them for possibility. They're undergoing that analysis with the Department of Public Works and Nova Scotia Power to make sure that they are appropriate. We've had initial conversations in Cape Breton as well, as there's a growing need there. We're still doing that outreach with those interested municipalities.

I think it's important to note that the communities where the Pallets end up need to be supported and endorsed by councils in communities so that supports are there for these folks and that the surrounding community knows what these can look like. I think that there's some communication to be done in that area that we're rolling out with municipalities and MLAs.

ZACH CHURCHILL: I'm worried about the delays in these Pallet shelters. Not only are there not enough of them to deal with the amount of homelessness that we know exists here in Halifax and other parts of the province, but we are also now having this delayed more deeply into the Winter months. Winter is here. This issue was flagged in the Summer that homelessness had doubled, and the minister at the time compared it to Summer camping and said this was a natural evolution and didn't raise any red flags about the fact that homelessness had increased.

I want to know: Does the deputy minister think that had we taken action in the Summer when the red flags were going up with increased amounts of tents and people living in them, if we could have gotten these shelters in place before Winter hit?

MELISSA MACKINNON: I just want to assure the members that that work was under way in the Summer. I'm a couple of months into this, so I'm catching up on the work that has been done, but work to identify a Winter shelter, for example, began in the Spring-Summer last year. We've got staff who are quite literally knocking on doors to try to find space for shelters. It has been ongoing. The Pallet opportunity became available, and I know folks jumped on it as soon as they could. The reality is we need more housing to move on some of these pieces.

I do just want to mention that we continue to build capacity at the Winter shelter on Windmill Road. If you would allow Ms. Knight to give an update on that work, I would appreciate it.

ZACH CHURCHILL: More market housing is not going to deal with the emergency homelessness situation. We need emergency housing now, and I'm very concerned about the delayed timelines and getting people into shelters. I really do fear that we're going to see people perish this Winter as a result of cold temperatures or lack of support and lack of shelter. The deputy minister did mention the shelter beds in Dartmouth, but we also know that other shelter beds have been closed due to lack of funding this year.

With Ms. Knight's update - I'll ask for it to be brief because I only have a few moments - can she please tell us what the net gain of beds has been when you take into consideration the new 50 that have been brought online? We've also heard that there were up to 30 that were closed. Could the deputy minister or Ms. Knight provide us with an analysis of the net gain of shelter beds?

THE CHAIR: Ms. Knight.

JOY KNIGHT: I'm not familiar with the closure of shelter beds. We have 431 beds in the system if we include the capacity 100 at the new Dartmouth shelter, which is almost ready to take 100. There's capacity there, and we have outreach teams working actively in encampment sites to help people relocate. It may be that there are concerns - last Winter, the Winter shelter closed and has reopened with 70 extra beds this year.

ZACH CHURCHILL: The timeline for the tiny homes in Sackville - when will those be in place?

JOY KNIGHT: We're working towards a late Spring- early Summer opening.

ZACH CHURCHILL: We've got some mixed messages on the housing strategy. We were told that it was ready for last Spring. The Premier said he was going to release it ...

THE CHAIR: Order. Time has elapsed for the party. MLA Leblanc.

SUSAN LEBLANC: I'm going to jump all over the place, wrap some things up from what I've been hearing. The first thing I just want to do is say that I'm glad my colleague began with the story that she did - about knocking on doors on Gaston Road - because the thing is, all of us on these sides of the tables represent people who are actually having these struggles.

We are all sitting here in a very comfortable, warm room talking about how we can do it. But the fact is that meanwhile, while we're sitting around here talking about this stuff and policy, and what's the best way to do things - yes, we've done this, and no, we haven't done this - there are people actively, right now, either outside in a tent or freaking out because they don't know how they're going to pay this month's rent, and they are facing

homelessness - if not this month, then the next time they have a rent increase or the power goes up or whatever.

I just want to centre that and ask my first question about people in that category in my own community, at Ocean Breeze. Ocean Breeze is also known as Wallis Heights, down by the new bridge in Dartmouth North. I'm sure you all know the story, but there are a thousand people living there in about 400 units right now. Pretty affordable, under market - not on purpose, just because of the rent cap, those rents have not gone up significantly. It is literally what people can afford, and sometimes too much.

It's being redeveloped. There is a plan to relocate people. They will never get homes that are as affordable as they are now, and many of them will never get homes with a little backyard patch and be able to have a dog. This is a family community down there.

I have brought this up to the Minister of Municipal Affairs and Housing. He has said in the House that he has not heard from the owners of Ocean Breeze about special planning areas or how to keep some of those units affordable when they are developed. Yet we have a FOIPOP that suggests that they have reached out several times to the department.

I want to know what is happening with Ocean Breeze from the department's point of view. Will the Province do something to make sure there are affordable houses? We can be proactive about this, right? We don't have to wait, even though they have reached out. Will there be a proactive connection with the developers at Ocean Breeze to make sure that there are actually deeply affordable houses there? Is the department working with the developer on a plan to make sure that tenants are not displaced? How come it has not been designated a special planning area?

THE CHAIR: Deputy Minister Rafuse.

BYRON RAFUSE: Let me start, and then the planning area question I will defer.

The minister does not meet with developers. That's an activity that the staff takes on behalf of the department. He would not have met with them. We have met with Ocean Breeze developers to talk about the programs that we have available if they wish to pursue to make some of the redevelopment units into the affordability spectrum.

We've also talked to them about their plans as they develop, how they're going to handle displaced individuals. They wanted to assure us that they had a plan in place that was fully explained in several community meetings to the residents of the area, and the options made available to them as they move forward. Whether or not the residents take advantage of that, that's individual choices on their perspective. Again, we met with them to talk about the affordable development program and what aspects we could participate in. That's really for them to choose.

About special planning areas, I'm not aware of that. Maybe Vicki could answer that.

VICKI ELLIOTT-LOPEZ: To my knowledge, they haven't made a formal application to become a special planning area. There have been conversations about it.

Again, they already have as-of-right development. If they want to add density over and above that as-of-right development, we will always send them back to HRM planning to start that discussion before the executive panel were to step in.

SUSAN LEBLANC: Because we've been talking about what is affordable, what's the definition of affordable? I would like to ask the deputy minister to table the analysis that you referenced earlier, which is the analysis that more supply will result in lower rents. I'd love to see that, please, if you could forward that to the Public Accounts Committee.

My colleague brought it up a few minutes ago, and again, I hate to agree with him, but as we build our population - which is one of our goals in this province - the fact is that if we build supply and we build population, there's not going to be a trickle-down because there are going to be people going into those units at those market prices. I would love to believe that there will be a trickle-down effect and downward pressure on the rents, but I'd love to see the analysis.

I also wanted to ask Mr. Mason - you talked about some of the developments that the Province has funded. Again, you said "on the condition that some units are affordable." The government is giving money to developers on the condition that some of the units are affordable. What we still are not clear on is how affordable they are. Is that condition 80 per cent? Is it 60 per cent? Is it rent geared to income? What is it? We are the Public Accounts Committee. We need to know if we're getting good value for the investments of public money. Could you provide our committee with a detailed analysis of the value for money that Nova Scotia is getting on those affordable housing investments?

BYRON RAFUSE: Before Adrian answers that question, I want to get back to your first questions about the analysis that shows that supply does - not only will I provide that to you, but we have also already provided that to this committee. It has publicly been released. It's in the housing needs assessment, where the analysis shows that supply does have a positive impact on pricing.

ADRIAN MASON: Last year, 2022-23, we provided capital contributions. Just to be clear on the program, we only provide capital contributions towards the affordable units. We do not subsidize market units. It's only the affordable units. Last year, the program delivered about 308 new units. Of the 308, 225 were affordable. There were capital contributions towards each of those 225 affordable units.

In terms of how affordable, the minimum eligibility is 80 per cent of the average market rent. We established the average market rent - not the maximum market rent, the average market rent - and the minimum eligibility would be 80 per cent of that. In many cases, the affordability being offered is much deeper than that. It could go down to 60 per cent.

We incentivize deeper affordability by offering a greater capital contribution, because obviously there is a cost to delivering that affordability. We apply a deeper subsidy for the deeper affordability.

SUSAN LEBLANC: That's helpful, but I would love to see it all in writing and presented to the committee following this meeting, if possible - a breakdown. It would be helpful. Also, I will say it's great - 285 units, I believe you said? Twenty-five units? Again, let us not forget that we have many more people waiting for public housing or waiting for subsidized housing. We have a wait-list of 5,000 people in Nova Scotia, and we need more than 225.

What is the plan to get us all of those 5,000, for instance, off the public housing wait-list through different community-led community housing, supportive housing, all of the different things? I'm just going to leave you with that one. I'm not going to ask you to actually answer it. I'm worried about time. How much time do I have?

THE CHAIR: You have 40 seconds.

SUSAN LEBLANC: Seriously? You might as well try to answer it in 40 seconds.

THE CHAIR: Mr. Mason.

ADRIAN MASON: Really, I'd just be repeating what Deputy Minister Rafuse said earlier. It's just one tool of many. We know that we need more. It's why it's one of the core pillars of the Housing Action Plan, to build more affordable housing. I do want to say as well that when we reduce the rents, we also need to make sure that the units go to people who need them. We do income tests to make sure that they are going to people who . . .

THE CHAIR: Order. That concludes time for the NDP.

MLA Sheehy-Richard.

MELISSA SHEEHY-RICHARD: Deputy Minister MacKinnon, in your opening remarks, you mentioned the housing continuum. Recognition of this continuum is so critical because of the knowledge and the tailored supports that it could provide people as they move forward. What I'm wondering is if you could tell me a little bit more about the housing continuum and in particular how it is impacting, and how Nova Scotia is positioned within that.

[10:30 a.m.]

MELISSA MACKINNON: When we talk about a housing continuum, the main thing is to try to meet people where they are. Actually, the table is kind of representative of it. At one end, our department provides supports like diversion supports to service provider organizations across the province to try to prevent people from being homeless. That's funding to pay a bill, to help with rent, those kinds of things. Then there are those experiencing homelessness whom we work to support through our partnerships with groups like The Hub. We talked about tents earlier. We're working with them to provide some Winter tents to folks. We get them into shelters and more supportive housing.

I just want to clarify my remarks earlier. When I said we need more housing, I didn't mean just market housing. I mean more supportive shelter beds and supportive housing, which we are working toward.

Then you get into some of the work of our colleagues here in terms of public housing - the affordable housing we've been discussing so much today, and then more permanent housing. For some, permanent housing may never be either a goal or an outcome, so we need to meet those people where they are and provide and wrap the supports around them. That doesn't mean just the work that DCS does. That means working with our partners in the Department of Health and Wellness, the Office of Addictions and Mental Health, and a number of different departments on actions to address poverty.

MELISSA SHEEHY-RICHARD: I have community organizations that are looking at some transitional housing and shelter beds as well. One of the programs that they questioned me about - and I guided them in your guys' way - was the CHAP, the Community Housing Acquisition Program. I just wondered if you could go into a little bit more detail of how that program works, and the partnerships that are created within community.

MELISSA MACKINNON: I know we've heard from my colleague Adrian a lot today, so I'm actually going to ask Ms. Knight to give a few examples of some of the partnerships that we've developed to help non-profits build more housing.

JOY KNIGHT: As Mr. Mason mentioned earlier, the Community Housing Acquisition Program is actually a game-changer for Nova Scotia. I was recently at the Canadian Alliance to End Homelessness conference that was hosted here in Halifax, and it was noted by every jurisdiction we spoke with how envious they were that we had access to this type of a program. It's really made a huge difference in our ability to buy buildings and create new supportive housing units really quickly in a time when new buildings take time to get into place. It's allowed for us to actually put in place a large portion of the 449 units that we've been able to put in place over the last two years, which, as the deputy minister has mentioned, is 73 per cent of all supportive units in the province just created in the last two years. These new programs and new levers are allowing us to take fast action.

There are a couple key partnerships that are worth mentioning. We are really working in the space to understand most vulnerable populations. We have youth-specific supportive housing; housing specific to the 2SLGBTQIA+ population; as well as those exiting corrections - 147 new units just for individuals who are exiting corrections; women and families with children; a great announcement recently with Akoma Family Centre; with the Mi'kmaw Native Friendship Centre; the Nova Scotia Co-operative Council all around creating supportive housing units that are deeply affordable to support our lowest income, most vulnerable Nova Scotians.

MELISSA SHEEHY-RICHARD: In particular, those would be - an example of one of those partnerships could be vacant homes or older homes. Because some of the non-profits that are looking at doing some things in my community, they hit barriers with funding support. Is that part of the CHAP as well, or would that be another tool in Mr. Mason's department that would help assist those two programs?

JOY KNIGHT: Thank you for that question. It's an important point. We work in partnership. The Department of Municipal Affairs and Housing is able to do the programming that allows for the purchase of the building and the loan program, while we bring the operational support. We make sure the building is sustainable, that the service providers have the staffing and the programming funding that they need to provide the best supports to the residents.

MELISSA SHEEHY-RICHARD: Since I rushed Ms. Elliott-Lopez through her explanation of the new panel, I just want to go back a little bit about it, and I guess maybe finish up but then pivot toward what the single largest issue facing development moving faster in HRM is. You've mentioned quite a few times about different areas of where they're at, but is there a single largest issue, for example, that is the common denominator?

VICKI ELLIOTT-LOPEZ: That's a tough one. If you were to ask five different people what the single largest issue is, you would likely get five different answers to that question.

I would say that there are a number of issues facing quick development in HRM. One is good land. We know that land needs to be serviceable; it needs to be accessible; infrastructure needs to be there; transit corridors - we look at all of those pieces. That's a struggle these days. Approval processes, labour shortages, rising costs - and it is really difficult, when people don't want density in their backyards, to work through that.

Those are some of the key challenges that we're faced with as an executive panel and as a department that we're trying to work through right now. We liaise with developers daily. We talk to them. We listen to them to, again, hear about those barriers. We work with our colleagues at HRM and with the community-housing sector. Again, our job is to try to create better conditions through policy levers, through funding opportunities and programs. We need to work together to address those challenges that I've named.

MELISSA SHEEHY-RICHARD: I guess I'm going to ask the heated question: Can you describe how Bill No. 329 will assist the work of the task force that you're doing?

VICKI ELLIOTT-LOPEZ: I'm going to ask my colleague Jarrod, who's been sitting just waiting for a question.

THE CHAIR: Mr. Baboushkin.

JARROD BABOUSHKIN: Thank you for the question. It's my first in Public Accounts Committee, I'll note.

Bill No. 329 will continue to build on some of the work that has happened in the past. It will provide additional work on helping to lean out the development process and make it a little bit more efficient through providing HRM with a number of authorities, including discharging development agreements that are more restrictive than current zoning, and private covenants, the same. It provides clarity around the role of council and staff, insofar as it will allow council to approve development agreements in principle and let staff work on the nitty gritty details - technical experts.

It provides stability for the development community in terms of having development fees and permit fees frozen for a period of time to allow developers to plan and move forward in otherwise unstable and volatile times. I guess we've heard today on a number of fronts - rising costs and unpredictability of labour supply are key contributors to whether or not a development will move forward.

We believe that the changes presented in Bill No. 329 will help calm the waters, lean out the process, and allow folks to operate in a little bit more of a stable environment.

THE CHAIR: MLA Sheehy-Richard, 15 seconds.

MELISSA SHEEHY-RICHARD: Fifteen seconds. I guess a comment would be - so for example, like a subdivision that would have a big restrictive covenant, and as they want to expand that community, they might look at dismissing that development agreement and implementing a new one . . .

THE CHAIR: Order. That concludes questioning today. I'd like to thank all those who participated. I would open up for closing remarks, if we have any.

Deputy Minister MacKinnon.

MELISSA MACKINNON: I'd just like to say it was my first time here - I'm sure the first of many to come. To MLA Chender's first opening statement about hearing from families and constituents, I'm very conscious that you are. I know it's a priority of Minister

Boudreau's and mine as new to the portfolio to hear those and really understand those cases. I appreciate hearing that today.

THE CHAIR: Thank you. You're free to leave. Just with the amount of people here, I'm going to hold it to a quick three-minute recess.

We're now in recess.

[10:40 a.m. The committee recessed.]

[10:44 a.m. The committee reconvened.]

THE CHAIR: Order. I'm going to call this committee meeting back to order. We had a motion on the floor in the end from MLA Leblanc. It's been there the past couple of weeks. I think everyone should have a copy of it. Is there further discussion on this motion? MLA Maguire.

HON. BRENDAN MAGUIRE: Last week, I did put forward an amendment to the motion. I would like to put forward another amendment. Since last week - since we've had this discussion around this motion - I have spoken to different people within government and different people in the public who deal with these types of issues and other issues, especially around affordability. One of the things that the member who put it forward last week respectfully said was that these types of targeted resources and programs that I was asking for are very difficult, and sometimes impossible to do. I'm just paraphrasing, so I apologize.

That's simply not true. Income assistance is targeted. The child tax credit is targeted. The heat pump program is targeted. I go back to having and giving this program to everybody, especially the people who do not need it, does not make sense to me. That money we are giving to the 1 per cent and the wealthiest for these types of programs could be going to more targeted resources for people who need it the most. I do agree with this motion, I just think that throwing it out there without any real thought to how it impacts everybody isn't the right way to go about it.

My amendment, as part of this, would be for the committee to send a letter to the proper department to see if this could be targeted before we vote on this as a motion. I just fundamentally have a problem with giving people money who don't need it. My amendment, along with this motion, would be to get some information before we move forward on whether this can be targeted or not.

THE CHAIR: My apologies. MLA Maguire, can you make your amendment again? The way that I'm seeing this is that you're almost moving to defer the original motion to find that - and that wouldn't be debatable.

[10:45 a.m.]

BRENDAN MAGUIRE: Can I ask counsel a question? Mr. Hebb, would this be better done as a separate motion or would this be better done as deferment - to defer, or would this be better done as an amendment?

What I'm trying to get at here is that what was said last week when it was voted down was that this cannot be targeted. We know that it can be targeted. We know that government does target programs all the time and funding all the time, whether it's solar, whether it's income assistance, whether it's the child tax credit, whether it's heat pumps. There are all kinds of different programs that are targeted to the people who need it the most. What I want to get is the information to show that yes, indeed, this can be a targeted program, and it can be rolled out as quickly and more effectively. What does counsel recommend I do with that?

GORDON HEBB: I think it depends. As a separate motion, it depends upon the result on the main motion. If the main motion is defeated, you are quite open as to what you move. If the motion passes, you would be somewhat restricted, not being able to make a motion that was counter to the motion that was just passed.

BRENDAN MAGUIRE: I apologize, I'm not trying to monopolize the time here. What I'm trying to do is have this information put forward so that we can make a well-informed vote on this. I'm trying to get that information before we actually vote on that motion because this information directly impacts how people should or shouldn't vote on this motion.

THE CHAIR: Before I recognize MLA Chender, maybe consideration of a separate motion? Just something to think about. MLA Chender.

CLAUDIA CHENDER: Just quickly, two things. I want to say that doesn't feel like an amendment. It feels like a separate ask. In this motion, the home retrofit programs - particularly the Canada Greener Homes - those are not income-tested programs. Anyone has access. We are asking the Province to step up and - everybody needs access to that. I know that there are MLAs who have accessed those programs - with our salaries. I think if you were to look, you would find there are many MLAs who have taken advantage of that.

Everyone needs to do their part, and that's what this motion recognizes, both to be addressing the demand-side issues and the supply-side issues. The simplest and most affordable way that we can reduce our reliance on carbon is to both decarbonize our energy supply, but also to ensure that we're using less of it. This is one way that we can do that.

With respect, I would say if the stance of the member is that they don't support that, then vote against the motion. If they do support that idea, then vote for the motion, but this doesn't feel like an amendment.

THE CHAIR: To me, it's almost two separate things, so what I would ask is if we could deal with the original motion and then - MLA Maguire.

BRENDAN MAGUIRE: Respectfully, that's not what I said. I didn't say I did or did not support the motion. What I said is that I would like some information to make a well-informed decision. For the member to sit here and say that this is about whether you do or do not is simply not true. What I said was that we need to make a well-informed decision.

With respect to the most affordable way and the simplest way, what I would say is in a time of high inflation and when everything is getting more and more expensive, people who can afford it - the 1 per cent - the money that we would be giving them is better served in topping up Solar City and other programs where people can actually afford to decarbonize their homes.

Right now, when we look at the residential solar program, that went from 50 per cent down to, I think, about \$5,000 on solar panels. That money that we were taking could be better used in different places to help people who don't have the means and don't have the resources to decarbonize, that could help them with energy poverty, that could help them with inflation, that could help them with high taxes.

We now have a city council that's debating in HRM on raising property taxes 10 per cent - more money coming out of people's pockets who simply cannot afford it. Instead of saying, Let's go with the simplest way, what I'm saying is let's go with the best way that impacts people's lives the best. One of those ways is giving people who don't have the means to get off carbon a way to do it.

If you speak to people in HRM, if you speak with people across Nova Scotia, I would guess that the vast majority of them would love to have solar panels, would love to have their homes retrofitted, but they simply cannot afford it. She did mention the salaries of MLAs. I'd be willing to not use those programs if that meant that people who couldn't afford those programs would get access to it, and they would get access to it in a more equitable way. That means more money for them and less money for people who can afford it.

It's not about whether I support this or not. I've been chastised over and over in this committee for doing exactly what's happening here today. Instead of throwing policy out there, what I would love to see is all of us working together to create good policy - especially on this side of the House - that puts pressure on government to actually pass this kind of stuff.

THE CHAIR: MLA MacDonald on a point of order.

JOHN A. MACDONALD: Chair, I'd like you to vote on whether this is in order. As even my colleague across said, this is not an amendment. It's a new motion. We're now debating something that technically, in my view, is out of order. I'd like you to rule on whether it's in order or not.

THE CHAIR: No, that is two separate motions. I'd remind the honourable member to speak about the NDP motion if he has anything further to say in our short time. MLA Maguire.

BRENDAN MAGUIRE: I'm getting to a vote, but what I will say is that I was actually speaking on the original motion.

With that, I will call the question on the NDP's motion with a recorded vote.

THE CHAIR: Any further discussion on this motion? A recorded vote has been called. I'll ask the clerk to conduct the vote.

[The Clerk calls the roll.]

[10:56 a.m.]

YEAS

Hon. Brendan Maguire
Susan Leblanc
Claudia Chender

NAYS

Danielle Barkhouse
Tom Taggart
John A. MacDonald
Melissa Sheehy-Richard
Nolan Young

KIM LANGILLE: For, 3. Against, 5.

THE CHAIR: The motion is defeated.

The honourable member for Hants East.

JOHN A. MACDONALD: This was sent to the clerk, and the clerk has sent it out to everybody. I believe she noted that I was making a change to it, so it should be - this is regarding the subcommittee:

I move that the Subcommittee of Public Accounts shall meet following the regular scheduled meetings.

THE CHAIR: There is a motion on the floor.

AN HON. MEMBER: Instead of before?

THE CHAIR: Following the Public Accounts Committee. It would be after our Public Accounts Committee meeting - the subcommittee - just in general.

Is there further discussion on this motion? MLA Maguire.

HON. BRENDAN MAGUIRE: Again, what is old is new, and what is new is old. This is ridiculous. It used to be after, and now it's back to here. So here we are again debating something. I'm the longest-sitting member on this committee. Several times we have said, Let's have subcommittee after committee, and the governing side has said, "No, we have things to do, we have to get out of here. "Well, let's extend it to do this." "No, we can't."

This goes back to we have a path forward - and I'm not trying to speak for MLA Leblanc, but MLA Leblanc has been a big proponent on the path forward and getting it done. Sometimes I've been a stick in the wheel or whatever and all that stuff, but again, this goes back to - we have plans, we have a path forward, and here we are again, changing things up depending on what side wants what.

I don't agree with doing this piecemeal. We had a discussion in the path forward about when and where we should have . . . (Interruption) Just wait.

THE CHAIR: I recognize . . .

BRENDAN MAGUIRE: No, I have the floor.

THE CHAIR: It's a point of order.

BRENDAN MAGUIRE: Is it a point of order? No.

THE CHAIR: I recognize MLA Barkhouse on a point of order.

DANIELLE BARKHOUSE: Well, I feel like I could say anything because they're not listening but . . .

THE CHAIR: That's not a point of order.

DANIELLE BARKHOUSE: Sorry, that was a point of order on myself.

THE CHAIR: It's not a point of order.

MLA Maguire.

BRENDAN MAGUIRE: I will respectfully say that I may not always look like I'm listening, but I'm always listening. I have the ability to listen and speak at the same time.

What I will say is that I do think before we vote on this stuff, we need to have a conversation about the path forward. These things were addressed in the path forward, yet here we are again, pulling bits and pieces out of the entire plan when, in fact, what we should be doing is taking a solid meeting, having a discussion on the path forward, and having the committee place the path forward on the floor for a vote. We can't continue to piecemeal this thing and say, Well, today we're going to put this through because it's advantageous, today we're going to put that through because it's advantageous. What we need to be doing - there's a lot of work that was done. We need to put that on the floor. What I would say is I would be very supportive of anyone in this committee who would put it on the floor as a . . .

THE CHAIR: Order. Thank you, MLA Maguire for those important remarks.

Our time has elapsed. Our next meeting will be December 6, 2023, in camera - Office of the Auditor General, 2023 Financial Report.

The meeting is adjourned.

[The committee adjourned at 11:00 a.m.]