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Item No. 15.1.9
Halifax Regional Council
March 7, 2023

TO: Mayor Savage and Members of Halifax Regional Council
Original Signed

SUBMITTED BY: _____
Cathie O'Toole, Chief Administrative Officer

DATE: March 3, 2023

SUBJECT: **Rapid Housing Initiative Round 3 Agreement – Investment Plan**

ORIGIN

On November 10, 2022 the Federal Government launched a new Rapid Housing Initiative (RHI) that invests \$1.5 billion to create up to 4,500 new permanent, affordable housing units across Canada.

On January 24, 2023 Regional Council passed the following motion:

“THAT Halifax Regional Council direct the Chief Administrative Officer to enter into the Rapid Housing Initiative Agreement with Canada Mortgage and Housing Corporation (“CMHC”), substantially in accordance with the draft form in Attachment A, to accept \$11,028,394 for the creation of a minimum of 36 affordable housing units.”

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter (HRM Charter), Part III – Powers

73(b) *The Municipality may enter into and carry out agreements with*
(i) the Minister of Community Services or Canada Mortgage and Housing Corporation with respect to housing projects, or
(ii) any body corporate or agency having similar objects to Canada Mortgage and Housing Corporation with respect to projects pursuant to the National Housing Act (Canada);

RECOMMENDATION

It is recommended that Halifax Regional Council:

1. Direct the Chief Administrative Officer to include an Investment Plan providing funding for the proposed affordable housing development by the Society of Saint Vincent De Paul, as further discussed in this report, in the Rapid Housing Initiative Agreement with Canada Mortgage and Housing Corporation (“CMHC”); and
2. Authorize the Chief Administrative Officer to negotiate and execute Contribution Agreements, and any amendments or consents arising from them, with recipients, to distribute CMHC Rapid Housing Initiative funding for approved projects.

BACKGROUND

On [January 24, 2023](#), Regional Council directed the Chief Administrative Officer to enter into the Rapid Housing Initiative (RHI) Agreement with Canada Mortgage and Housing Corporation (CMHC), to accept \$11,028,394 for the creation of a minimum of 36 affordable housing units. As a requirement of the RHI Agreement, HRM must provide an investment plan outlining the specific projects that will be funded through the allotted \$11,028,394 and how they will comply with the set requirements of the program.

When the RHI was originally announced in November 2022, staff reached out directly to approximately 40 non-profit housing providers, numerous housing advocates and launched a website seeking expressions of interest. Staff received a total of 10 submissions.

Conditions of RHI Funding

To be eligible for funding, project costs must be associated with:

- **Construction** of new residential units;
- **Conversion** of a non-residential building to a residential building; or
- **Renovation** of existing housing that is currently uninhabitable.

Funds must be used for capital costs associated with the development and must be incurred after December 1, 2022. Additionally, funds can be used for the acquisition of land associated with the project.

Projects funded under the RHI must comply with the following requirements:

- Projects must be ready for occupancy within 18 months of the agreed upon investment plan. This is different from previous rounds where projects were given 12 months to be completed;
- Projects must operate for a minimum of 20 years;
- If the development includes new construction, it must:
 - exceed provincial building code accessibility requirements by five percent; and
 - meet energy efficiency standards as set out in the 2017 National Energy Code for Buildings (NECB) for Part 3 buildings and the 2015 National Building Code (NBC) for Part 9 buildings, as applicable; and
- Projects must serve and be affordable (household is paying less than 30 per cent of gross income on housing costs) to targeted people and populations who are considered vulnerable and:
 - who are also, or otherwise would be, in severe housing need (households that pays 50% or more for their current accommodations), or
 - people at high risk of homelessness (an individual, family or community without stable, safe, permanent, appropriate housing, or the immediate prospect, means and ability of acquiring it).

The Municipality is further required to prioritize projects targeted to women (25%) and encouraged to prioritize projects that will target Urban Indigenous peoples and Black Canadians (15%).

Rapid Housing Initiative Rounds 1 and 2 - Update

The [Rapid Housing Initiative \(RHI\)](#) is a federal government program that provides funding targeted to non-profits and municipalities for the development of deeply affordable housing. The program was initially launched in October of 2020 with a second round launched in June 2021. As part of the Cities Stream funding, the Halifax Regional Municipality was identified for immediate funding of:

- \$8,659,527 to create a minimum of 28 units of new permanent affordable housing in Round 1; and
- \$12,979,021 to create a minimum of 43 units of new permanent affordable housing in Round 2.

Through the past two rounds of RHI, the Municipality was able to support the development of 142 units through 6 projects including:

- Adsum for Women and Children – new development of 25 units at 158 Greenhead Road, Lakeside (*Round 1*);

- Mi'kmaw Native Friendship Society – new development of 21 units/rooms at 5853 College Street, Halifax (*Round 1*);
- North End Community Health Association – rehabilitation of non-habitable building to create 11 rooms at 2218 Maitland Street, Halifax (*Round 1*);
- Affordable Housing Association of Nova Scotia – conversion of former hotel to create 65 rooms at 101 Yorkshire Avenue, Dartmouth (*Round 2*);
- Akoma Holdings Incorporated - new development of 8 units at 1081 Main Street, Dartmouth (*Round 2*); and
- Souls Harbour – new development of 12 units at a property in West Chezzetcook (*Round 2*).

These projects will provide deeply affordable housing for women, women with children, families, urban indigenous people, African Nova Scotians and chronically homeless people. Projects are located throughout the municipality within urban, suburban and rural communities of HRM. Of the 6 projects, 2 are fully occupied, 2 are in the process of being occupied, and 2 expect to be occupied later this spring.

DISCUSSION

Due to the short timeline to allocate funding, non-profit housing organizations were given very little time to prepare submissions and even a shorter amount of time to provide follow up information. Staff greatly appreciate the time and effort that went into preparing these submissions and acknowledge this work was on top of daily responsibilities and already busy schedules. Staff would like to continue to work with the non-profit housing organizations to bring more of these projects to fruition.

Submissions were prioritized based on the target populations being served, where preliminary plans had already been developed, the applicant owned the property, and current zoning permissions. Participation in past RHI rounds, the cost per unit and an operating budget that could provide affordability to the target population for 20 years were also strong considerations.

A summary of all 10 submissions is provided in Attachment A.

Investment Plan

Based on the review of submissions, staff recommend the project by the Society of Saint Vincent de Paul (SSVP) be considered in the investment plan. SSVP is proposing the development of a 38-unit residential building with on-site support services at 2445 Brunswick Street in Central Halifax.

The property is located in close proximity various transit routes and to several services and amenities including Hope Cottage and the North End Community Health Centre (NECHC). The development will target those who are homeless or who are at risk of becoming homeless and will prioritize individuals/households from the By-Name List.¹ Pursuant to the requirements of RHI, at least 25% will be prioritized for women and 15% of the units will be prioritized for African Nova Scotian or Urban Indigenous individuals/households. The proposed construction timeline anticipates building occupancy by November 1, 2024, which is within the required timeline for RHI funding. SSVP has partnered with the NECHC to provide the operations support and building management for this project. The NECHC has been involved in rounds one and two of RHI as a project builder and project operator.

The property is zoned HR-1 (High Order Residential-1) in the Regional Centre Land Use By-law which allows the development of a multiple unit dwelling. The subject site abuts two municipally registered heritage properties (2461-2463 Brunswick Street and Hope Cottage at 2435 Brunswick Street). As such, final building design must comply with the Heritage Design Requirements laid out in Part VIII of the Land Use By-law for the Regional Centre.

Additional Funding

The total value of the SSVP project is approximately \$14,588,394 which exceeds the allocated \$11,028,394

¹ A by-name list is a comprehensive list of everyone experiencing homelessness in a community. In Halifax, the By-Name List is maintained by the Affordable Housing Association of Nova Scotia (AHANS).

of RHI funding. As such, SSVP and HRM staff have been in contact with the Province of Nova Scotia to secure the necessary additional capital funding. While discussions with the province to date have been encouraging, should the province be unable to provide additional funding, HRM and SSVP will need to secure the additional \$3.56 million through another source. Should this not be possible, HRM may return the \$11,028,394 to CMHC and cancel the contribution agreement. It is important to note that no combination of submissions received could have produced the required 36 units with the allotted \$11,028,394.

Additionally, as the proposed development will include support services for residents, SSVP, NECHC and HRM staff have been in communication with the provincial Department of Community Services to discuss ongoing operational funding. While agreements confirming funding will not be finalized until a time closer to the occupancy date, the Department of Community Services recognizes that this project aligns with the mandate of the department and that the operational needs are in-line with programs of similar nature. A letter showing support from the Department of Community Services is included as Attachment B of this report.

Municipal Financial Support

A significant component of ongoing operational costs for these housing projects are property taxes. It is recommended that the proponents should apply for consideration of tax relief through Administrative Order 2014-001-ADM. This will help both HRM and the proponents manage the project costs over time. The deadline for new applications is November 30, 2023.

It is further worth noting that this project is eligible to have the majority of municipal fees related to construction (including permit fees) waived and is eligible to receive funding through the Municipal Affordable Housing Grant Program.

Project Stream Funding

While this report focuses on allocating funds through the Municipal Stream, the RHI also has a Project Stream component, which will prioritize applications received from Provinces, Territories, Municipalities, Indigenous governing bodies or organizations and non-profits based on the overall strength of the application. The Municipality will work with organizations that were not considered within the Municipal Stream to support applications to CMHC for this funding stream. The Municipality does have the opportunity to request additional funding to support the development of additional units from CMCH through the Project Stream, however these projects will compete with projects nationally.

Next Steps

Should Council endorse the project to be included in the investment plan, it will be submitted to CMHC for review. The deadline for submitting the investment plan is March 15, 2023. It is anticipated CMHC will advise HRM within 60 days if the project satisfies the requirements and meet the terms of the funding arrangement.

FINANCIAL IMPLICATIONS

Beyond the risks outlined in the staff report presented to Council on January 24, 2023, not only will HRM be responsible for the \$11,028,394 should the project fail to meet the deadline for completion, it will also need to ensure units are targeted to those who are homeless or at risk of homelessness and that rents are not more than 30 percent of their income. As discussed in this staff report, the provincial Department of Community Services will commit to operational funding for this project, however should a deficit in operational funding occur, it could potentially be a pressure on HRM in future operating budgets. HRM will attempt to mitigate this risk by the structure of the contracts with third party providers.

RISK CONSIDERATION

Beyond the risks discussed in the report presented to Council on January 24, 2023, the main risk

consideration of this report is the financial implications as discussed above. There are also risks related to construction that are beyond the Municipality's control as each is an external construction project under the control of a third party.

COMMUNITY ENGAGEMENT

Beyond the community engagement outlined in the January 24, 2023 report, direct discussions and consultation were held with non-profits who responded to the November 2022 call for expressions of interest.

ENVIRONMENTAL IMPLICATIONS

The RHI funding requires new developments to meet energy efficiency standards as set out in the 2017 National Energy Code for Buildings (NECB) for Part 3 buildings and the 2015 National Building Code (NBC) for Part 9 buildings, as applicable.

ALTERNATIVES

1. Regional Council may direct the CAO to select alternative projects to be included in the Investment Plan to be submitted to CMHC. Doing this could increase the potential financial risk to the Municipality and may result in not meeting the Rapid Housing Initiative's submission deadline to receive funding.
2. Regional Council may direct the CAO to include a Municipal application to the Rapid Housing Initiative Project Stream to request funding for some or all the projects not included in the Investment Plan. Doing this could increase the potential financial risk to the Municipality and may result in not meeting the Rapid Housing Initiative's submission deadline to receive funding.
3. Regional Council may direct the CAO to not submit an investment plan and return the funding of \$11,028,394 to CMHC.

ATTACHMENTS

Attachment A: Non-Profit Housing Development Projects

Attachment B: March 2, 2023 Letter from Department of Community Services

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

Report Prepared by: Jillian MacLellan, Principal Planner, Priority Planning, Regional and Community Planning, Planning and Development 902.717.3167

Attachment A: RHI Round 3 – Project Submissions

PROJECT/NON-PROFIT	PROJECT DESCRIPTION	REQUEST	CONSIDERATIONS	COMMENTS
ADSUM WOMEN AND CHILDREN 40 SUNFLOWER COURT, LAKESIDE	<p>The proposed development is for Phase 2 of the Sunflower development which was constructed under RHI Round 1.</p> <p>Phase 1 is complete with 25 housing units currently home to almost 50 people including 13 families. Phase 2 anticipates housing another 24-30 people in 3 three- or four-bedroom units and 12 one-bedroom units. Four of the one-bedroom units would be fully mobility accessible.</p> <p>Phase 2 will be a connected to Phase 1 where resources such as laundry facilities and community space are available. Phase 2 will also include a sizable green-space designed for all ages and where possible, mobility accessible.</p> <p><i><u>Background of Organization</u></i> Adsum has decades of experience developing and managing affordable housing in HRM. They own several properties though out HRM ranging from shelters, transitional housing to permanent housing. Housing and programming is targeted to women and women with children</p>	\$4,813,000 (\$320,867/unit)	Owns Land: Y Zoning: N Development Type: New Build Target Population: Women and Women with Children	<p>The application is considered a strong submission. Through their experience in Round 1 the applicant has shown an ability to deliver quality deeply affordable housing in an efficient manner.</p> <p>The proposed development will target housing for women and women with children which is a priority group for RHI.</p> <p>The lands are subject to an existing Development Agreement (DA) which will require a non-substantive amendment to accomplish this proposed development.</p>
AFFIRMATIVE VENTURES	Building on the success of the Westwood Backyard Suite, AV envisions a small neighborhood of 5 of these homes with an on-site Housing Support hub.	\$2,401,043.60 (\$171,503.11/unit)	Owns Land: N Zoning: N	Proposed Tiny Home model supports an efficient project from a

KAREN DRIVE,
WESTEPHAL

These units would be shared accommodations based on the Affirmative Homes Model and would provide long-term, permanent housing to 10 low-income individuals with the Support Hub providing an additional 4 units to persons in need of transitional housing.

Background of Organization

For over 30 years, Affirmative Ventures has been an innovative not-for-profit organization that assists Nova Scotia mental health consumers and other persons with disabilities achieve lifelong independence. Their mandate focuses on the foundation pieces of life - homes, jobs and friends.

Development Type: New Build
Target Population: Low-income Individuals

cost perspective and simplifies the construction timeline.

The property is currently not owned by AV but is listed as surplus by the province for the development of housing. While the subject property is quite well it is worth noting there appears to be several wet areas on the property that may limit further development.

The proposed budget and costs are quite low they are based on a smaller project as such it is expected as costs are finalized they will increase.

The Municipal Planning strategy does not currently support the proposed use on site, and will require an amendment(s).

AKOMA

6 semi-detached units are proposed west of Fairfax Homes (rapid housing for African Nova Scotian

\$3,361,824
(\$560,304/unit)

Owns Land: Y
Zoning: Y

The application is considered a strong

<p>1016 MAIN STREET, DARTMOUTH</p>	<p>women and children) now under construction behind the Akoma Family Centre, 1018 Main Street, Dartmouth. More precisely, the 3 semis are proposed adjacent to the existing playground south of the Children’s Centre at 1016 Main Street.</p> <p><u>Background of Organization</u> <i>In 2014, Akoma acquired the assets from the Nova Scotia Home for Coloured Children which includes 310 acres of property and various buildings including child facilities and community centre.</i></p> <p><i>Akoma is in the initial stages of developing the the lands, including 8 affordable units though RHI Round 2. In the fall of 2022 Akoma opened Kinney Place (the former home) as a community hub and incubator for Black business.</i></p>		<p>Development Type: New Build Target Population: Low income African Nova Scotian families</p>	<p>submission. Through their experience in Round 2 the applicant has shown an ability to deliver quality deeply affordable housing in an efficient manner.</p> <p>The proposed development will target housing for African Nova Scotian families which are a priority group for RHI.</p>
<p>AKOMA FANNIE LANE, DARTMOUTH</p>	<p>2 four-unit townhomes (8 units in total) are roposed to be located at Civic Addresses #20, #22, #42, #44 and #46, Fannie Lane, Lake Loon. These units are proposed for low-income families. The land is owned by DORA construction and will be donated to Akoma Holdings Inc. for this family housing project.</p> <p><u>Background of Organization</u> <i>In 2014, Akoma acquired the assets from the Nova Scotia Home for Coloured Children which includes 310 acres of property and various buildings including child facilities and community centre.</i></p> <p><i>Akoma is in the initial stages of developing the the lands, including 8 affordable units though RHI</i></p>	<p>\$4,482,432 (\$560,304/unit)</p>	<p>Owns Land: N Zoning: Y Development Type: New Build Target Population: Low income African Nova Scotian families</p>	<p>The application is considered a strong submission. Through their experience in Round 2 the applicant has shown an ability to deliver quality deeply affordable housing in an efficient manner.</p> <p>The proposed development will target housing for African Nova Scotian families which are a priority group for RHI.</p>

Round 2. In the fall of 2022 Akoma opened Kinney Place (the former home) as a community hub and incubator for Black business.

**OLD SCHOOL
COMMUNITY
GATHERING PLACE
HOMES WITHIN REACH
- MUSQUODOBOIT
HARBOUR**

12-unit project in Musquodoboit Harbour where there are many seniors who cannot secure safe and affordable housing and are at risk of homelessness. This project fits within a larger project (Harbour Village Homes) and is brought by The Old School group, who has also hired its own emergency housing navigator through a United Way grant, who currently has 84 individuals on their list.

\$4,500,000
(\$375,000/unit)

Owns Land: Y
Zoning: N
Development Type: New Build
Target Population:
Women and Women with Children

This project is a continuation & evolution of an initial proposal submitted within RHI Round 2. The current project shows good advancements.

The Harbour Garden Village group has committed to donating all required lands for this proposal from their larger project lands.

The general area and community are in need of affordable housing options.

The proposed RHI development is part of a larger comprehensive development that will require changes to land use policy and zoning. The Province of NS has designated the proposed area as a Special Planning Area.

Background of Organization

Old School Community Gathering Place was founded in 2011 and is a non-profit cooperative, functioning as a centre for arts, culture and innovation. Their facility features a multipurpose room, commercial kitchen and the Musquodoboit Harbour Community Garden.

<p>PHOENIX YOUTH 3117 JOSEPH HOWE DRIVE, HALIFAX</p>	<p>This project will be Phoenix's 4th Home for Independence project. Property will provide independent transitional housing for youth with 3-4 affordable housing units.</p> <p><u><i>Background of Organization</i></u> <i>Established in 1987, Phoenix is a non-profit, community based organization dedicated to supporting youth between the ages of 11 and 24, their families, and communities across multiple locations in Halifax.</i></p>	<p>\$1,594,000 (\$199,250/unit)</p>	<p>Owns Land: N Zoning: N Development Type: New Build Target Population: Women and Women with Children</p>	<p>The proposed project is within an existing building that supports a residential use (doctors from the ground floor clinic live in the upper floors). RHI funding supports the conversion of non-residential buildings to a residential use, but does not provide funding for an existing residential use to be updated. For this reason, this proposal could not be considered for RHI Round 3 funding.</p>
<p>SOULS HARBOUR WEST CHEZZETCOOK</p>	<p>Development of 14 units in a single building for women and women with children. Property is next to two supportive housing buildings for women and children run by Souls Harbour, one of which was developed as part of RHI round 2.</p> <p><u><i>Background of Organization</i></u> <i>Souls Harbour began as a service provider for those experiencing homelessness in Regina, Saskatchewan. The organization has since expanded their operations in Halifax, offering emergency food and clothing services. Mission Mart, a department style thrift store is also operated by the organization, with proceeds</i></p>	<p>\$4,200,000 (\$300,000/unit)</p>	<p>Owns Land: N Zoning: N Development Type: New Build Target Population: Women and Women with Children</p>	<p>Through their experience in Round 2 the applicant has shown an ability to deliver quality deeply affordable housing in an efficient manner.</p> <p>The applicant is in the process of purchasing the property.</p> <p>The proposed lands abut the Atlantic Ocean, and may be subject to the requirements of the</p>

	<p><i>supporting their work in Halifax, Bridgewater and Truro.</i></p>			<p>forthcoming Coastal Proction Act – It is unclear what level of impact the Act could have until it is adopted and implemented.</p> <p>The Municipal Planning Strategy does not currenty support the proposed use and will require an amendment(s).</p>
<p>ST. VINCENT DE PAUL 2445 BRUNSWICK STREET, HALIFAX</p>	<p>38 unit multi with some on-site support services provided by North End Community Health Centre that will be targeted towards those individuals who are homeless and in need of moderate-acuity supportive housing.</p> <p><u><i>Background of Organization</i></u> <i>The Society of Saint Vincent de Paul is an international Catholic volunteer organization that was established in Halifax in 1853. The society it operates two special works: Hope Cottage, a soup kitchen on Brunswick Street and Hand in Hand, our thrift store in Spryfield.</i></p> <p><i>Each year 325 volunteers assist over 4000 households struggling with basic living needs and Hope Cottage serves over 45,000 free meals yearly.</i></p>	<p>\$11,028,394 (\$290,220.89/unit)</p>	<p>Owns Land: Y Zoning: Y Development Type: New Build Target Population: Households at risk of homelessness or who have recently been unhoused</p>	<p>The project is within the core of the HRM peninsula, and benefits from proximity to numerous amenities and support services, including Hope Cottage, directly adjacent to the site. The project would be enabled through as-of-right development. This applicant has not received RHI funding before and supports a housing first model as a part of their project objectives.</p>

<p>YWCA 19 HOWLAND COURT, SACKVILLE</p>	<p>YWCA Halifax is seeking to build 6 new 2-bedroom units of affordable housing for lone mothers and their children.</p> <p><i><u>Background of Organization</u></i> <i>The YWCA was established in 1874 and has been providing housing and support services for women and children since inception throughout HRM.</i></p>	<p>\$1,886,625 (\$324,739.67/unit)</p>	<p>Owns Land: N Zoning: N Development Type: New Build Target Population: New mothers (SHYM 3 program)</p>	<p>The project site lands have been designated as surplus land for affordable housing. This will still require the lands to have a call for proposals, to review all potential projects and expressions of interest.</p> <p>The operating costs for this project will be covered by existing programming.</p> <p>The Municipal Planning strategy does not currently support the proposed use on site, and will require an amendment(s).</p>
<p>YWCA 9 THEAKSTON AVENUE, SPRYFIELD</p>	<p>YWCA Halifax is seeking to build 6 new 2-bedroom units of affordable housing for lone mothers and their children.</p>	<p>\$1,948,437.50 (\$314,437.50/unit)</p>	<p>Owns Land: N Zoning: N Development Type: New Build Target Population: New mothers (SHYM 3 program)</p>	<p>The proposed site is HRM owned land, but has not been declared surplus lands, as of yet. The YWCA has a strong presence in the community and a history of working within the area.</p>

Background of Organization

The YWCA was established in 1874 and has been providing housing and support services for women and children since inception throughout HRM.

This land is the site of a former pumping station with the infrastructure (building and pipes) and easements which need to be addressed.

The operating costs will be covered by existing programming.

The Municipal Planning Strategy does not currently support the proposed use, and will require an amendment(s).

via email

HRM RHI Evaluation Committee

[REDACTED]

March 2, 2023

Dear Selection Committee:

The Department of Community Services is pleased to support the Society of St. Vincent De Paul and the North End Community Health Centre in their application to the Rapid Housing Initiative, Cities Stream.

This project supports and advances Nova Scotia's supportive housing plan. We have positive working relationships with both organizations and are confident they will be able to meet the needs of vulnerable individuals requiring supports along with housing. There is a significant need for supportive housing within the Halifax Regional Municipality and the North End Community Health Centre is a partner with extensive experience and expertise in this area.

The proposal submitted is one we believe will make a significant contribution to the community who require supportive housing to have successful tenancy. The proposed operating budget reflects the needs of those that would benefit from the project and is in line with other similar endeavors that we have supported through our Homelessness and Supportive Housing programs.

The Department of Community Services has full confidence in the applicant's ability to deliver on the proposal submitted and achieve optimal client outcomes. I respectfully request that you consider this proposal and the value it will bring to Nova Scotians.

Sincerely,

Meredith Cowan

[REDACTED]

cc: Joy Knight, Executive Director, Employment Support & Income Assistance
Cyd Lepage, Director, Homelessness and Supportive Housing