HALIFAX

P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No.13.2.3
Audit & Finance Standing Committee
November 25, 2025

TO: Chair and Members of Audit & Finance Standing Committee

FROM: Brad Anguish, Acting Chief Administrative Officer

DATE: November 5, 2025

SUBJECT: **Request for financial support for purchase of six-unit building for use as affordable housing by Rooted: Community Development Partners**

ORIGIN

August 5, 2025 Regional Council motion (Item No. 18.1):

MOVED by Councillor Cuttell, seconded by Councillor Hartling

THAT Halifax Regional Council direct the Chief Administrative Officer (CAO) to provide a staff report on a one-time grant to Rooted: Community Development Partners to support the purchase of a six-unit building for use as affordable housing. The intent of the grant would be to provide the balance of the funding required to make the acquisition, after provincial and federal contributions have been accounted for.

MOTION PUT AND PASSED UNANIMOUSLY.

EXECUTIVE SUMMARY

Rooted: Community Development Partners has requested a one-time $150,000 grant (referred to below as “supplemental funding”) from the municipality to support the purchase of a six-unit building in Spryfield for use as affordable housing. The request for supplemental funding represents the amount needed beyond what provincial funding programs are contributing and what is eligible under HRM Affordable Housing Grant Program (AHGP), which has an intake deadline of October 1, 2025. Staff have also been contacted by other groups regarding gaps in acquisition funding programs from other orders of government, especially for buildings with less than ten units.

Granting one-time requests is resource-intensive and the availability of funding to fulfill these requests is inconsistent. Additionally, the lack of clarity around this process for affordable housing providers means that some may be unaware of this option, leading to concerns about equity. For these reasons, staff recommend rejecting the request for supplemental funding. Staff are currently in the process of drafting a Housing Strategy for the municipality that will help direct and enhance municipal housing programs and policies. This strategy provides an opportunity to further investigate options to support property acquisitions

by affordable housing providers.

RECOMMENDATION

It is recommended that the Audit & Finance Standing Committee recommend that Halifax Regional Council:

1. Refuse the request by Rooted: Community Development Partners for a one-time grant to support the acquisition of a six-unit building in Spryfield.

2. Direct staff, following the forthcoming Housing Strategy, to explore options to support acquisitions for use as affordable housing.

BACKGROUND

Dartmouth Non-profit Housing Society, doing business under the business name Rooted: Community Development Partners ("Rooted"), a registered non-profit society, is planning to acquire a six-unit building in Spryfield for use as affordable housing. They are requesting a one-time grant (referred to in this report as "supplemental funding") of $150,000 to fill the funding gap that remains after contributions from other levels of government.

Under *Administrative Order Number 2025-003-ADM Respecting Grants for Affordable Housing* (AHGP AO), the deed transfer tax is the only eligible cost that could be offset through a grant for acquisition under the Affordable Housing Grant Program (AHGP). The deed transfer tax for the purchase of this property is anticipated to be approximately $11,400, which is less than the total supplemental funding request. The AHGP accepted applications from August 27-October 1, 2025.

HRM has recently supported two acquisitions by non-profits:

- The AHGP has supported one acquisition during the 2023-24 intake. Rooted: Community Development Partners was awarded $300,000 for the acquisition of a six-unit apartment building in Dartmouth. (This award amount would no longer be supported after changes to the AHGP in Summer 2025, as discussed below).
- In May 2022, Halifax Regional Council approved a one-time $445,500 grant (outside of the AHGP process) to the Housing Trust of Nova Scotia to support the purchase of a portfolio of 295 units, with the grant amount offsetting the deed transfer tax that would be owed as part of the Trust's acquisition.[1] Legislation does not provide for the discretionary waiver or a reduction of deed transfer tax.

An analysis by the Low-end of Market Rental Housing Monitor identified that Spryfield, which has a high proportion of affordable housing units, experienced a pronounced decrease in affordable private market units between 2016 and 2021. This decrease in affordable units has corresponded with factors such as building age and need for repair, and turnover in building ownership.[2]

Staff are currently developing a Housing Strategy as part of HRM's Housing Accelerator Fund (HAF) commitments with the Canada Mortgage and Housing Corporation (CMHC). The Housing Strategy will define HRM's role in housing, particularly affordable housing, and identify existing and future policy and program options. The Housing Strategy will include engagement with community housing providers, HRM business units, Regional Council, and other levels of government. Per the HAF agreement with the CMHC, the Housing Strategy will be complete by October 2026.

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[1] Funding Request – Housing Trust of Nova Scotia – Regional Council
[2] Case study: Affordability of rental housing in Spryfield, Halifax – Low-end of Market Rental Housing Monitor

DISCUSSION

A decision on the above motion may impact how similar requests may be addressed in the future. This section addresses the current motion, existing government support for acquisitions, challenges faced by affordable housing providers for acquisitions, and options for municipal involvement in acquisitions.

Rooted's supplemental funding request of $150,000 is their estimated shortfall after contributions from other levels of government have been accounted for. They have submitted an application to the AHGP in Fall 2025 for the amount of the deed transfer tax, should they successfully acquire the building.

Staff have received multiple requests for funding for acquisitions as affordable housing providers have indicated that acquisitions are an effective approach to growing their portfolio, increasing their presence in communities, and protecting existing affordable housing. Affordable housing providers have also identified that there is a gap between the government funding available for the acquisition of affordable housing and the amount of funding required for an acquisition to be successful. This is especially the case for smaller buildings and for less experienced affordable housing providers.

2025 AHGP Review

The AHGP Administrative Order was repealed and replaced on June 24, 2025. Changes included amendments to limit eligible expenses for grants for acquisitions to the amount of the deed transfer tax. Flexibility was provided such that the acquisition could occur within 24 months before or after an application intake deadline. This change reflected that the AHGP intake and evaluation timelines do not typically align with property transaction timelines. The misalignment resulted in non-profit organizations submitting very few applications in this category, and the applications that were submitted struggled with the timing of funding.

Existing provincial funding for acquisitions

The two major existing funding opportunities are the Province of Nova Scotia's Community Housing Acquisition Program (CHAP) and the Community Housing Transformation Centre's Nova Scotia Community Housing Capital Fund (NS-CHCF). Both programs fund properties that have a minimum of five units, and require that at least 30 percent of units are rented as affordable units. CHAP provides funding for up to 95 percent of the property cost through a fixed-interest-rate, repayable loan.[3] NS-CHCF provides non-renewable, non-repayable grants towards the purchase price, supporting the equity required through CHAP.[4] To be eligible for NS-CHCF, an organization must have at least three years of experience operating housing, and is subject to a pre-qualification assessment considering their organizational and asset stewardship capacities. Rooted is eligible for funding through CHAP and NS-CHCF. The AHGP is intended to be used in conjunction with these funding sources. The federal Canada Rental Protection Fund also provides funding for acquisitions.

While there is demand for additional acquisition funds, further work needs to be done to understand the role of the Municipality and other levels of government in assisting non-profit organizations with acquiring properties. This work will form a significant part of the forthcoming Housing Strategy.

FINANCIAL IMPLICATIONS

If the Audit & Finance Standing Committee recommends that Regional Council reject the staff recommendation, or Regional Council chooses to reject the staff recommendation, and instead chooses to provide the supplemental funding to Rooted, the amount would be paid from HAF funds. HAF funds must be expended by October 2027.

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[3] Community Housing Acquisition Program - Government of Nova Scotia

[4] Nova Scotia Community Housing Capital Fund – Community Housing Transformation Centre

If Rooted is able to proceed with the acquisition, Rooted will likely enroll in the HRM Tax Relief for Non-Profit Organizations Program. This will increase the number of applications for tax relief. Tax relief is an annual, recurring, operating grant; the value of tax relief trends upwards as assessment values increase. Unless there is a program change or policy change, staff anticipate that these awards will be perpetual based on continued property ownership by affordable housing providers.

RISK CONSIDERATION

Granting funds outside of a formal process may establish precedent and result in additional similar requests being made in the future. There may not be adequate financial or staff resources to respond to these requests in the timely manner required for acquisitions. Additionally, with no set budget for acquisition funding requests, approving requests now risks having to reject future requests based on the fact that they were not made early enough, rather than on the merit of the acquisition.

Unlike deed transfer tax or real property taxes, a grant is not a lien and is unsecured. Should Regional Council direct staff to provide a one-time grant to Rooted, risk could be reduced through the execution of a contribution agreement to ensure oversight and transparency.

COMMUNITY ENGAGEMENT

No community engagement was required.

ENVIRONMENTAL IMPLICATIONS

No environmental implications were identified.

ALTERNATIVES

Audit & Finance Standing Committee could choose to recommend that Regional Council:

1. Approve a grant in an amount determined by Regional Council and authorize the Chief Administrative Officer to negotiate and execute a Contribution Agreement with Rooted using HAF funding. Regional Council could also amend any terms and conditions attached to funding.

2. Do not direct staff to investigate options for funding acquisitions beyond the amount of the deed transfer tax through the forthcoming Housing Strategy.

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter, S.N.S. 2008, c. 39 as amended

> 79A (1) Subject to subsections (2) to (4), the Municipality may only spend money for municipal purposes if
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> (a) the expenditure is included in the Municipality's operating budget or capital budget or is otherwise authorized by the Municipality;
> (b) the expenditure is in respect of an emergency under the Emergency Management Act; or
> (c) the expenditure is legally required to be paid.

(2) The Municipality may expend money provided for in an operating budget or capital budget for a purpose other than that set out in the operating budget or capital budget for that fiscal year if the expenditure does not affect the total of the amounts estimated for the operating budget and the capital budget.

(3) The Municipality may authorize expenditures from its operating budget or transfer money from the operating budget to its capital budget if the total amount of such expenditures and transfers for the fiscal year does not exceed the total amount of estimated revenue from all sources in excess of the amount estimated for those sources in the operating budget for that fiscal year.

(4) The Municipality may authorize capital expenditures that are not provided for in its capital budget if the total of such expenditures does not exceed the greater of

(a) the amount authorized to be transferred from the operating budget to the capital budget under subsection (3);
(b) the borrowing limits established for the Municipality under Section 109; or
(c) the amount withdrawn from a capital reserve fund under subsection 120(4).

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Administrative Order One, the Procedures of Council Administrative Order, Schedule 2 - Audit and Finance Standing Committee Terms of Reference

8. The Audit and Finance Standing Committee shall review and make recommendations on proposals coming to the Council outside of the annual budget or tender process including:

(a) new programs or services not yet approved or funded;
(b) programs or services that are being substantially altered;
(c) proposed changes in any operating or project budget items;
(d) the commitment of funds where there is insufficient approved budget;
(e) new or increased capital projects not within the approved budget;
(f) increases in project budget due to cost sharing; and
(g) the creation or modification of reserves and withdrawals not approved in the approved budget.

Administrative Order Number 2020-007-ADM, Respecting Incentive or Bonus Zoning Public Benefits

9. Funds expended for the rehabilitation or construction of affordable housing shall only be used for:

(a) supporting affordable housing under the Grants for Affordable Housing Administrative Order;
(b) a contribution agreement between the Municipality and the Government of Canada, Government of Nova Scotia, or a non-profit group to support the rehabilitation or construction of affordable housing;
(c) Repealed;
(d) supporting building condition assessments and the acquisition of buildings, dwelling units, or property; or
(e) any combination of clauses a, b, and d

ATTACHMENTS

None.

Report Prepared by: Alex Wilson, Planner II – Housing Accelerator Fund, 902.719.9248
Dave Paterson, Principal Planner – Housing Accelerator Fund, 902.229.8860