

January 22, 1963

Mr. Donald F. Maclean,  
Secretary,  
Halifax Advisory Committee  
on Human Rights  
5787 Ogilvie Street,  
Halifax, N. S.

Dear Mr. Maclean,

I must apologize for the extremely long delay in dealing with your letter of December 17, 1962. However, as I explained during our recent telephone conversation, we have been very busy in recent weeks.

I will attempt to deal with your questions in the order they are presented. My written answers will of necessity be much shorter than the verbal replies which I was able to give at our last meeting. I hope, that the replies will be of use to you.

1. The \$500 proposed as compensation, to persons who do not have clear titles, is inadequate; this amount would not make possible the acquisition of alternate accommodation.

An expropriating authority is required to compensate an owner on the value of the property taken. The law does not require that the expropriating authority provide sufficient compensation to re-house the displaced person. After all, that person might choose to re-locate in much more expensive accommodation. The expropriating authority could not, therefore, be expected to accept responsibility for this.

The proposal to pay \$500.00 to persons with an apparent ownership, but no legal claim of any sort would be a gratuitous gesture on the part of the City. Strictly speaking the City could expropriate the lands where title is in doubt, and wait for the owners to prove that compensation was due them. The persons who we have suggested should receive \$500.00 would not, in this case, be able to justify any claim for any compensation.

I do not think it was the intention that the City would accept the responsibility to re-house all families in the Africville area in new homes of their own. As pointed out in our discussions and in previous talks to your group, subsidization of home ownership is almost impossible to justify.

The proposal to pay \$500.00 was, in fact, a proposal to pay some compensation to those who would have no legal claim against the City if their land was expropriated. The question of whether \$500.00 is an adequate payment is, of course, debateable, but I do not see where it would be possible to use the cost of alternative accommodation as a basis for measuring the amount of a gratuitous payment.

2. Africville residents do not want to become, in effect, permanent "welfare cases."

I think I am quite safe in saying that no-one would like to see Africville residents become permanent "welfare cases."

The City's proposal for relocating residents of Africville, contemplates that all families would be offered accommodation in one of the public housing projects. Many of the families offered this accommodation might choose not to accept it. This, of course, is perfectly within their rights.

The families that do accept accommodation in public housing units would be required to pay rents in accordance with their ability to pay. The ability to pay is determined by their gross family income, which is considered to include the income of the head of the family, a working wife, up to \$75.00 per month of the resident children under 25 and all of the income of resident children over 25. The family would be required to pay approximately 20% to 21% of this gross family income as monthly rent. If services, such as heat and hot water are provided to the tenants, the tenants would, of course, be required to pay their fair share of this.

The minimum rental chargeable in Mulgrave Park ranges from \$24.00 to \$32.00 per month, depending upon the size of the family, for shelter. To this must be added the cost of the services provided, which at this level of rental would run about \$12.00 per month.

Unemployed families, or families with incomes below that which will permit the minimum rental payment may be eligible for welfare assistance in meeting their rents. It is hoped that most families requiring welfare would require it on a temporary basis. Inevitably a few families may find themselves on continuous welfare but it would be hoped that the improved housing would permit families to better their job opportunities.

It has been noted throughout the country that average rentals within public housing projects increase by about \$1.50 per unit per month, each year and this of course is a reflection of the increased average earning powers of the families.

3. Africville residents want to continue to live near a church building of their own.

If the church property is acquired by the City, the City would be required to pay compensation for it. The congregation would, therefore, have an amount of money available to it for the replacement of the building.

The City's position is that the families from the Africville area will be offered housing units within the various City-owned projects. It was proposed during our last meeting that possibly a special subsidized rental project could be built for the residents of Africville. It was pointed out that there were financial reasons why this would be almost impossible.

Public housing units are built in partnership with the Federal and Provincial Governments. The housing units cost from \$12,000 to \$14,000 each and require an average rental of between \$85.00 and \$90.00 per unit per month to break even. The Partnership agrees to subsidize these units to the extent of \$25.00 to \$30.00 per unit per month but the balance of the costs of operations must be met by the tenants.

The tenants in any project would be required to pay an average of \$55.00 to \$60.00 per month with the lower income tenants paying less and the higher income tenants paying more. It is doubtful if the Africville group could manage these average rentals. It seems likely that they would have to depend upon other groups of wage earners within the City to insure that the average rental is met.

From what I have been told, it seems unlikely that all the residents of Africville would be able to establish a complete new community on a home ownership basis within the City. Some residents may, in fact, be willing and able to obtain new homes of their own, others may wish to take advantage of the City's offer of alternative accommodation in public housing projects.

It seems very unlikely that it would be possible to re-establish a church for the exclusive use and within the immediate area of relocation of Africville residents. Inevitably, there will be some movement of families to different locations. The congregation should, however, have funds available to it to assist in the provision of a new church if they so desire.

4. Africville residents want clarification of the City's stated view that the City's principal reason for deciding to expropriate Africville is to remove sub-standard dwellings, and want to know to what extent a desire to obtain Africville for industrial use was a factor in the City's decision.

I gather from this question that there may be a feeling among some residents of Africville that the principal reason for acquiring the area is to permit the City to promote industrial development.

The principal reason for the proposed action in the Africville area is to remove the substandard dwellings. I think most members of your Committee will agree that almost all of the occupied buildings in the area are at variance with the standards of occupancy established for the City. The dwellings could be ordered vacated or removed under one or the other of several statutes and ordinances. If Africville were not unique in terms of its history, it is quite probable that this would have been done already and the families required to find new housing on their own.

If City action were taken to remove the properties, the City might well take the position that it was the owners responsibility to realize what they could from the disposal of their land. Because of the uncertainty of title,

it is doubtful whether many people would be interested in acquiring these lands. The owners would be hard put to re-use the lands themselves in accordance with the By-laws of the City, because the uncertainty of title would almost definitely preclude mortgage loans which would be necessary in order to permit the erection of satisfactory structures.

The City's proposal is therefore, to remove the structures and by acquiring the properties, place themselves in a position to compensate the owners. Expropriation by the City or by some other Government appears to be the only way in which land titles in the area can be cleared.

The present plans of the City call for the construction of a limited access roadway from the Nova Scotian Hotel to the Fairview Overpass. This roadway passes directly through the Africville area and many of the properties would have to be acquired in order to construct this road. The construction of that portion of the road running through Africville, however, is something that is not likely to take place for quite a number of years.

Some of the land in the Africville area proposed for acquisition is tentatively zoned for industrial use. Industry creates employment and because of this, all cities must be interested in the establishment of industry. There is not at this moment a demand for this land for industrial purposes. If the land is to be used for the purpose suggested, the City would have to create the demand and there is no certainty that this can be done.

5. The City has indicated that Africville has no designated boundaries. What are the boundaries of Africville as an electoral polling district?

As I mentioned during our two meetings, Africville is not a legal entity and as such has no legal boundaries. It is a community within the legal boundaries of the City of Halifax and is in the same legal category as say Westmount and other areas of a like nature. While these areas have, in the course of their history, acquired a name, this name has no significance in legal terms.

I am attaching a City plan on which we have outlined Electoral Polling Districts Nos. 201A and 205. The Polling Districts 201A and 205 are described as the lands within the boundaries outlined on the plan, but excluding therefrom the area known as Africville which is in Polling District No. 204. We have been unable to locate a polling district boundary description of the Africville area and we understand that this polling district is set up by a list of names only.

It does not appear that there is a plan showing the electoral polling district of Africville.

6. Why are lands for prospective industrial use not deemed to be high in value?

The principal reason that industrial lands are not deemed to be high in value is, of course, the fact that industry is just not prepared to pay high prices, and finds that it does not have to.

Industry provides the economic support for most communities. It creates the primary employment on which the community depends for its livelihood.

Industry is highly competitive. Land costs and municipal taxes can have a very important bearing on the ability of an industry to compete. If these costs are so high that the industry cannot compete, the industry has no alternative but to cease operations.

Industries are aware of their value to a community. Most communities are also aware of this value. New industries will therefore locate in the areas where they are given the best deal, and there is a competition amongst the communities to get these industries. Many communities provide land virtually free of charge in order to attract potential employers in the industrial field.

7. What City service is received in return for taxes paid on Africville properties?

The 1960 tax roll contains 39 assessments for the Africville area. The total tax levied on these 39 properties amounted to \$1,598.68. The total taxes owing on properties assessed in the Africville area as at August 29, 1962 amounts to \$6,392.24. Tax arrears in the Africville area are, therefore, approximately four times the 1962 tax levy.

The services provided by the City for the Africville area fall into two main categories. These are:-

Welfare

Schools

Other services are provided on a much more limited basis.

The Commissioner of Health and Welfare indicates that the City is paying between \$9,500.00 and \$10,000.00 to residents of the Africville area by way of welfare assistance. This represents about 10% of the total amount of welfare payments made by the City during the year.

There are approximately 112 youngsters attending City schools from the Africville area. It costs the City approximately \$285.93 per pupil per year. The total cost of schooling is, therefore, \$32,024.16. In addition, the City provides school buses at an annual cost of \$2,850.00.

In summary, therefore, the City levies taxes on the Africville area at the rate of about \$1,600.00 a year. In return for that portion of this levy which is collected, the City provides services estimated to cost \$44,874.16.

8. Who were the Africville residents who received building or alteration permits in the period immediately prior to 1950?

I am attaching a list of the building permits issued in Africville. This list shows the name of the person to whom the permit was issued and the date of issuance.

9. Why are assessed values not regarded, by the courts, as a basis for compensation upon expropriation?

The valuation of properties for assessment purposes differ from municipality to municipality. In some places, assessments are based upon market value, in other places reproduction value and in still other places rental value. Some municipalities follow the practice of establishing the assessed value at a percentage of one or the other types of value outlined above.

In the City of Halifax, assessed value is defined in the City Charter as market value. Every attempt is made to meet the requirements of the Charter. Nevertheless, it seems almost inevitable that there will be variations between the value for assessment purposes and the value which a person might expect to receive if his property were offered for sale.

I suppose one of the principal reasons that the courts do not recognize assessed value in determining settlement is the fact that adjustments of assessed values tend to lag behind market conditions. The market value of a property is the value mutually agreeable to a willing buyer and a willing seller. The value is at the date of purchase and could be a somewhat different value at a somewhat different time.

The assessed value is a value placed by the assessor as at a given time. It is adjusted periodically, but certainly not on a daily basis. At the time of adjustment, it would reflect trends in the value of the property. It might not reflect the value placed upon the property by a willing buyer at a given time. The essential purpose of assessment is not to create absolute value, but is to create a reasonable value in relation to all other properties within an area or City.

In other words, assessed value could be less or more than actual market value and still serve its purpose. Assessment valuations are intended to assure equality of treatment in respect of taxes.

It is at least partly for the reasons given that the courts do not recognize assessed value in determining compensation. Because of this, the City compensates on the basis of market value as determined by independent real estate appraisers.

10. What is the minimum rent paid in City-owned multiple-housing developments?

The answer to this question is partially given in the answers to questions 2 and 3.

Public housing projects are managed by the Housing Authority of Halifax. The rents chargeable by the Housing Authority are laid down in a schedule to an agreement between the Federal-Provincial Partnership and the Housing Authority. A copy of the rental scale is attached to this letter.

The rents commence on the basis of a minimum family income of \$150.00 per month. Persons below this income are required to pay as if they were in receipt of this income. You will see from an examination of the scale that rents vary depending upon income and depending upon the number of children. You will also note that when incomes exceed \$325.00 per month, rents are charged at the rate applicable to \$325.00 per month plus 30% of the income over this amount.

The rental scale covers shelter rental only. Where the tenant provides all services as at Bayers Road, no additional charge is made. In Mulgrave Park, heat, hot water, water, stoves, refrigerators, etc. are supplied to the tenant by the Authority. At Mulgrave Park, tenants pay an additional 38% of their shelter rental to cover the cost of the services provided.

11. Is all of the land area of Africville designated for industrial purposes? If not, could Africville residents be relocated on land in the vicinity of Africville?

With one small exception, the land occupied by structures designated on the plan with which we provided you previously, is required for use for street improvements or is planned for industrial re-use. There is a very tiny area on the southern boundary which might be considered a residential re-use.

The difficulty of re-establishing the community in the area would appear to hinge more on the financial capabilities of the community rather than on the availability of land.

A new single family house built to the minimum standards required by the City of Halifax could not be put in place for less than \$8,000.00. This I think is the absolute minimum price and the probability is that construction and land costs would go somewhat higher.

If the new house were constructed under the provisions of the National Housing Act, and the best terms were obtained, a downpayment of \$800.00 would be required to be made by the new owner. The remainder of the cost could be financed by a mortgage over 35 years. Monthly payments

to repay this mortgage would be as follows:-

Principal & Interest	\$ 43.05
Taxes	15.00
	<hr/>
TOTAL	\$ 58.05
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This example illustrates the best possible financial terms for home ownership. The probable monthly costs and downpayments would be considerably higher.

In the answer to one of the earlier questions, I dealt with the question of a subsidized rental project for Africville residents only. In my previous answer I indicated that it would be necessary for the tenants of such a project to be able to pay an average of \$55.00 to \$60.00 per month. This would mean that the average tenant in the project would be required to have a family income between \$250.00 and \$270.00 per month. It is unlikely that such an average income could be obtained.

Integration of the Africville group in other public housing projects would not create the same problem. If the incomes of Africville are below the average required, and I believe that this is so, admissions of other families at higher incomes would permit the project to attain the required average rental.

12. Will special provision be made for the accommodation of unemployable widows and pensioners who are unable to pay the full amount of minimum rents?

This question has already been answered in part.

It is a requirement of the City's agreement with its Federal and Provincial Partners that a minimum rent be charged for any apartment or housing unit within a public housing project. This minimum rental is based upon a family income of \$150.00 per month.

A review of the rental scale attached will indicate that the minimum shelter rental ranges from \$24.00 to \$32.00 per month depending upon the size of the family. The cost of services is, of course, additional to this. If an occupant is unemployed and is unable to pay his rent, assistance is available to him from the City Welfare Department. The applicant for assistance must, of course, be able to prove to welfare authorities that help is needed and justified.

13. Will the City include, in the terms of expropriation, a clause to the effect that if expropriated lands are not sold for industrial use by a specified date, the people from whom they were expropriated will retain a right to reacquire the lands for an amount not greater than the amount for which they were expropriated?

I suppose it would be possible for the City to include a buy-back provision in its terms of acquisition. I would think personally that the inclusion of this clause is unlikely.



The City is proposing to acquire the properties primarily to remove the blighted structures and to create a situation whereby the owners can realize a cash return on their properties. If the City was not prepared to acquire the properties, it could still order removal of the properties and let the owners or apparent owners attempt to dispose or re-use the lands. The chaotic state of title would make this virtually impossible.

The City realizes that acquisition of the lands will mean an out of pocket expenditure that may not be realized upon by the City for many years. A large portion of the land for example is required for the limited access Shore Drive, but actual construction of this street at this point could be postponed for many years. It seems apparent that it will be needed ultimately.

It may be that at some time in the future, the balance of the lands will be required for other than industrial purposes. Industry may not be attracted to the site and the land may be required for purposes not now foreseen.

The City proposes, and is in fact required, to pay market value for properties acquired. In this case, it is proposed that the owners be fully compensated under law. It is further proposed that some recognition be given to those who have no legal claim.

In view of all the circumstances, I think it would be unlikely that the City would be prepared to agree to a buy-back arrangement between the present owners and the City.

14. Would it be feasible to organize a co-operative housing project on land in the vicinity of Africville?

I think the possibility of establishing a co-operative housing project would be best investigated with the Nova Scotia Housing Commission. All co-operative housing projects in Nova Scotia are financed through this Commission.

The first requirement for a co-operative housing project would be, of course, the provision of a satisfactory site. Undoubtedly, sufficient land of a residential nature could be assembled in the northern portion of the City for a small project. The Nova Scotia Housing Commission do I believe, have certain restrictions on land costs and these restrictions might be a limiting factor.

Co-operative housing projects have been successful in Nova Scotia and have certainly been responsible for providing homes for many people. Some savings in the total construction cost are possible, but it is usually at the expense of considerable personal labour by the home owner.

I had some experience of co-operative housing in Newfoundland. It was largely agreed in Newfoundland, that a reduction of \$1,000 to \$1,500 in cost could be attained by co-operative effort. It was also their

experience that this cost saving was attained by almost two years of constant work by the members of the co-operative group. The usual hours worked in Newfoundland would be every evening and on Saturdays for the two year period.

I hope that my remarks may be of use to you. It would, of course, be possible to go on at much greater length on any of the questions asked, but I hope my answers have been sufficiently clear to permit your further consideration.

At our last meeting it was agreed that we would meet with the residents of Africville in the fairly near future. Unfortunately the pressure of other work has not permitted this meeting to this time. However, the pressures have eased somewhat and we would be prepared to meet with the Africville group at a mutually convenient time.

Yours very truly,

(Sgd.) R. B. Grant  
Development Officer

RBG/jl  
Enclosures