

Request for Regional Council Consideration

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| <input checked="" type="checkbox"/> Agenda Item
(Submitted to Municipal Clerk's Office by Noon at least 5 working days prior to the meeting) | <input type="checkbox"/> Added Item
(Submitted to Municipal Clerk's Office by Noon at least one day prior to meeting) | <input type="checkbox"/> Request from the Floor |
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Date of Meeting: March 7, 2017

Subject: Support for Housing Trust project

Motion for Halifax Regional Council to Consider:

That Halifax Regional Council request a staff report regarding opportunities, best practices and financial implications of considering:

1. full or partial waiver of HRM permits and fees related to construction of affordable housing projects,
2. Entering into multi-year tax relief that aligns with the life of the affordable housing component of a fully affordable or mixed market/affordable housing project subject to Section 73 of the Halifax Charter,
3. Exploring with Halifax Water alignment of their capital fee contributions with municipal and provincial housing goals to develop a full or partial reduction for affordable housing projects.

Reason:

Section 73 of the Charter states *"The Municipality may enter into and carry out agreements (b) 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)."* Tax exemption by-law for organizations is enabled by a bylaw under section 89 (1) of the Charter.

HRM routinely provides full and partial tax exemption for not for profit affordable housing projects under section 89, but those exemptions must be renewed by vote of Council every year. Single year tax relief is not allowed to be used when calculating cash flow for purposes of determining maximum available mortgage. This creates an unnecessary reduction in the fund available to build or renovate a project. See attached letter.

Outcome Sought:

Staff report that outlines choices for Council consideration for supporting affordable housing via multiyear tax relief.

Councillor Mason

District 7



Housing Trust
OF NOVA SCOTIA

PO Box 8474
Halifax, NS B3K 5M2
902-497-7338

March 1st, 2017

Mr. Wayne Mason, Chair
Halifax Regional Municipality - CPED Committee
PO Box 1749
Halifax, NS B3J 3A5

**Re: Request for HRM to Waive Building Permit Fees & Reduce Property Taxes
58 Units of Affordable Housing - 2183 Gottingen Street.**

Dear Mr. Mason:

Please find the attached information brief that can be shared with the Community Planning and Economic Development Committee. This brief provides a full description of the Housing Trust of Nova Scotia, and our plans to build 243 units of housing on Gottingen Street. Fifty percent of these units (123 in total) will be rented to modest income families in fulfillment of our agreement with Housing Nova Scotia. While many people have been following our activities over the past five years, most don't realize that we now have the approvals in place to construct both buildings; the only thing that is missing is funding.

Housing Nova Scotia has recently doubled the amount of funding for our first building (from \$1.45M to \$2.9M), however there are other costs that still need to be overcome. The purpose of this letter is to formally request HRM to waive the building permit fees associated with this project. Our current estimate is that the total building permit fee for 2183 Gottingen Street is about \$415,000, including about \$330,000 of sewer and water charges from Halifax Water. Waiving building permit fees is fairly common in other jurisdictions in Canada and we are hoping that HRM will see the value in our project and make a similar commitment to affordable housing.

In addition to the building permit fee waiver, we are also asking HRM to consider dramatically reducing the total amount of property tax paid during the first five years of the project (\$750,000 over 5 years). Currently, HRM provides property tax relief to nonprofit organizations on a year-by-year basis. The problem with this approach is that CMHC won't provide credit for this when they underwrite the mortgage and as a result, the mortgage proceeds are reduced. In other words, if HRM were guaranteed to waive all or a portion of the property taxes for this building for the first five years of its operation, CMHC would increase the amount of their loan guarantee (i.e., Insurance Certificate). Depending on the amount waived, this could generate another \$700,000 of mortgage proceeds.

We know that Regional Council cannot grant these exemptions unless the enabling legislation allows it. We have been advised by senior staff at the NS Department of Municipal Affairs that section 73 of the HRM Charter (Highway, Housing and Trails Agreements) was written

specifically for the purpose of enabling agreements between HRM and groups such as ourselves. Section 73 of the HRM Charter indicates that

The Municipality may enter into and carry out agreements

- a) for highway construction, improvement and maintenance and other purposes pursuant to the Public Highways Act;
- b) 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);
- c) with the Government of the Province with respect to the development, operation or maintenance of trails on land of Her Majesty in right of the Province. 2008, c. 39, s. 73.

We have been told that Municipal Affairs would consider us a body corporate/agency with similar objectives to CMHC with respect to projects pursuant to the National Housing Act. We purchased these properties in 2010 and have spent six years pursuing planning approvals. We are running very low on funds, and hope that HRM will work earnestly to help our organization turn a new page in the development of high quality affordable housing in Halifax - its long overdue.

Let me know if you would like me to make a presentation to the CPED, or Regional Council on this matter. I can be reached at 902-497-7338.

Sincerely



Original Signed

Ross Cantwell, President
The Housing Trust of Nova Scotia