

Affordable Housing Working Group Agenda

**May 16, 2019
12 Noon**

**Conference Room A, 4th Floor,
City Hall**

ST. JOHN'S

AGENDA
AFFORDABLE HOUSING WORKING GROUP
May 16th , 2019 – 12:00 p.m. – Conference Room A, 4th Floor, City Hall

1. CALL TO ORDER

2. APPROVAL OF THE AGENDA

3. ADOPTION OF THE MINUTES

- a. Minutes of March 7th, 2019

4. BUSINESS ARISING

- a. Update and discussion on affordable housing initiatives
- b. Rental rate advocacy

5. NEW BUSINESS

- a. Mapping housing need
- b. Land parcels discussion and next steps
- c. Upcoming federal election
- d. Housing forum clinic

6. OTHER BUSINESS

7. DATE & TIME OF NEXT MEETING

8. ADJOURNMENT

MINUTES
AFFORDABLE HOUSING WORKING GROUP
March 7, 2019 –12:00 p.m. – Conference Room A, 4th Floor, City Hall

Present Simone Lilly, Affordable Housing & Development Facilitator, Chairperson
Jill Snow, CMHC (Canadian Mortgage and Housing Corporation)
Gail Thornhill, Stella’s Circle
Hope Jamieson, City Council Champion
Judy Tobin, Manager of Housing
Ayon Shahed, Choices for Youth
Bruce Pearce, End Homelessness St. John’s
Grayson Kelly, Newfoundland and Labrador Housing Corporation
Emily Timmins, Poverty Reduction, Government of NL
Doug Pawson, End Homelessness St. John’s
Dawn Evans, Legislative Assistant

Regrets Victoria Belbin, Canadian Homebuilders Association NL
Andrew Harvey, First Light

CALL TO ORDER/ INTRODUCTION & WELCOME

Simone Lilly called the meeting to order at 12:05 p.m.

APPROVAL OF THE AGENDA

Moved – Ayon Shahed; Seconded – Bruce Pearce

That the agenda be adopted as presented.

CARRIED UNANIMOUSLY

ADOPTION OF THE MINUTES

The minutes of the last meeting of the previous Working Group, dated December 13, 2018 were tabled:

Moved – Bruce Pearce; Seconded – Jill Snow

That the minutes of December 13, 2018 be approved as presented.

CARRIED UNANIMOUSLY

BUSINESS ARISING

Introducing new Affordable Housing Working Group members including:

The following Affordable Housing Working Group members were welcomed and introduced to the committee.

Grayson Kelly replacing Madonna Walsh (retired)
Emily Timmins replacing Aisling Gogan
Doug Pawson replacing Bruce Pearce (retired)

- a. Update and discussion on affordable housing initiatives

NEW BUSINESS

Information Note dated March 7, 2019 re: Affordable Housing Update

CITY OF ST. JOHN'S HOUSING NEEDS STUDY UPDATE: A new consultant has been engaged to complete the housing needs study. It is anticipated that a report will be forthcoming this Spring and the Committee will be kept apprised of the progress in this regard.

LAND INVENTORY: The Legal Department has been working with Non-Profit Housing to identify parcels of City owned land for potential projects. Once the process of ownership is confirmed, affordable housing recommendations for each parcel will be presented to Council.

AFFORDABLE HOUSING STRATEGY: The Chair anticipates that a working draft of prioritized strategies will be available for the Committee's review. These strategies were developed in consultation with the various staff leads in each City department.

CENTRAL HOUSING WAITLIST: Work with NLHC and the CRA continues in attempt to streamline the application process. More information is reflected in the Information Note dated March 7, 2019 included in this Agenda.

HOUSING CATALYST FUND: The review panelists have selected four Housing Catalyst recipients and have submitted them to the Committee of the Whole for approval and subsequent referral to a Regular meeting of council.

AFFORDABLE HOUSING FORUM: The forum took place with keynote speaker, Natalie Volland of Gestion Immobiliere Quo Vadis Inc. The Committee expressed great enthusiasm about her presentation and her social innovation approach for development in Montreal. The Committee agreed the ideas expressed merit future consideration.

ENERGY EFFICIENCY PROJECT: The Chair updated the Committee on the Strategic Doing Workshop which brought together various stakeholders (including CNA, Economic Tourism and Development, NL Power), as well as residents. The Workshop

is working on two projects as follows:

1. to look at energy efficiency through a curtain system
2. to complete an energy audit of units

The Committee will be apprised accordingly, as updates occur.

SUCCESSFUL TENANCY INITIATIVES: The “Rights and Responsibilities as a Tenant” informational pamphlet is now updated and reflects the *Residential Tenancies Act, 2018*. A copy will be available on the City’s website.

Information Note dated February 7, 2019 re: Affordable Housing Social Marketing Strategy

Shelley Pardy, Communications and Public Relations Officer met with the Committee to discuss the above noted. She provided an overview of the social marketing strategy which will unfold over the next nine-month period. It will focus on increasing the awareness of affordable housing, promoting available units and profiling individuals who avail(ed) of affordable housing

Information Noted dated March 7, 2019 re: Rental Control Legislation - Advocacy

Affordable Housing Working Group discussed rent control legislation in St. John’s. Additional information is required to determine if a letter of advocacy should be prepared on behalf of the AHWG. In this regard, Ms. Timmins agreed to share available information from Service NL with the AHWG.

“Evolution of Housing in St. John’s Project

The Chair spoke to the proposed initiative and stated that currently there is not a comprehensive history on the evolution of the housing projects in St. John’s and such work would be beneficial for practitioners in the field. Ms. Snow with CMHC suggested that research funding may be available for this initiative should the Chair wish to investigate

ADJOURNMENT AND NEXT MEETING

There being no further business, the meeting adjourned at 1:58 p.m.

Simone Lilly
Chairperson

INFORMATION NOTE

Title: Affordable Housing Update

Date Prepared: 05/16/2019

Report To: Affordable Housing Working Group (AHWG)

Issue: Affordable Housing Update

Discussion – Background and Current Status:

Here is an update on some of the main areas of work:

CITY OF ST. JOHN'S HOUSING NEEDS STUDY UPDATE: A new consultant has been engaged to complete this work. Drafts have been reviewed by Jill Snow and Simone Lilly and a final report is expected in the next two weeks. Document will be circulated to the AHWG for review and to advise on next steps.

LAND INVENTORY (of City owned land): The Legal Department has been working with Non-Profit to identify parcels of City owned land for potential projects. Four properties have been circulated through associated City departments and have received favorable comments speaking to their potential for redevelopment. Recommendations for one parcel of land have been prepared and discussion on the other three parcels will take place with the AHWG.

REVITALIZING POLICY: Envision St. John's, prepared as a result of a comprehensive review, will replace the current St. John's Municipal Plan (2003) and Development Regulations (1994). The Envision St. John's Development Regulations were presented at Council on March 4, 2019 for adoption-in-principle. With the formal adoption-in-principle, the draft Municipal Plan and Development Regulations documents have been sent to Municipal Affairs for provincial review and release. This has been stalled due to the provincial election.

The implementation strategies reflected in Envision St. John's include

- ✓ Allow subsidiary dwelling units in as many residential zones as possible
- ✓ Incorporate provisions for tiny homes
- ✓ Support intensification and mixed-use development
- ✓ Allow small apartment buildings in some residential zones
- ✓ Make best use of land base to provide affordable housing
- ✓ In new neighbourhoods, plan development around the parks and open space network, with an emphasis on compact, walkable residential neighbourhoods, with a mix of uses and employment areas along primary transportation corridors
- ✓ Continue to require new developments to consult with the St. John's Transportation Commission regarding public transit infrastructure requirements.

MUNICIPAL FEES: A Decision note to expand the exemption of municipal fees to private developers of affordable housing who have confirmed approval under the National Housing Strategy's National Housing Co-Investment Fund - new construction (NHCF), Federal Lands Initiative (FLI) and Innovation Fund (IF) was unanimously approved on April 29th.

The equivalent percentage of municipal fees will be waived for the percentage of affordable units of a project, with confirmed written approval under the three National Housing Strategy programs

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AFFORDABLE HOUSING STRATEGY:

Interdepartmental Committee

- Implementation of the affordable housing strategy 2019-2028 will require action across the organization. The IAHWG will lead and coordinate the internal components of this strategy. It is anticipated that the IAHWG will meet quarterly and when possible preceding AHWG meetings.

Support from the following Divisions has been identified:

1. Division of Transportation Engineering
2. Division of Planning
3. Division of Regulatory Services
4. Division of Marketing & Communications
5. Division of Family & Leisure Services
6. Other Divisions will be consulted and included as required

Terms of reference were drafted for the IAHWG and the introductory meeting was held on May 10th

Implementation Strategy Working Document (road map)

Implementation strategies have been divided by division responsible for leading action items.

Timelines, next steps and priority areas for each have been laid out. This will serve as a guiding document for implementation and will be updated as actions move forward.

CENTRAL HOUSING WAITLIST: We continue to have conversations with CRA re. granting direct access to Option Cs for applicants and tenants. CRA requires legislation that states that we can collect this information. The City of St. John's Act (governing the municipal affairs of St. John's) outlines authority to acquire land, enter into housing agreements, provide housing, adopt Building Codes etc. but does not reference setting rents, collecting rent or verifying income. We have agreements signed with CMHC/NLHC that require us to verify income and dictate how we must calculate rent however these are agreements and do not provide the authority required. NLHC were granted permission under the Housing Corporation Act and the Intergovernmental Affairs Act. CSJ does not qualify under either of these. Our next step is to begin advocacy for this to be addressed during the review of the St. John's Act that is currently underway.

EVOLUTION OF NON-MARKET HOUSING PROJECT: We have met with a researcher that is considering undertaking this project as part of their post doctorate. We have acquired permission from the 4 individuals that attended the history discussion to share the recording of the session. We can now proceed setting up an agreement with this researcher to outline scope and ownership of work.

SOCIAL MARKETING STRATEGY: AHDF met with Communications following the March AHWG meeting. As suggested, we would like to move forward with this project as a collaborative community led project. As a next step. a sub – committee could be established to take on building the profiles campaign to be launched in November 2019.

Conclusion/Next Steps: This update is to inform of progress as well as obtain further direction and guidance from the Affordable Housing Working Group.

Prepared by/Signature: Simone Lilly, Affordable Housing Development Facilitator

Approved by/Date/Signature: Judy Tobin, Manager of Housing Division

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DECISION NOTE

Title: Rental Control Legislation- advocacy

Date Prepared: 08/05/2019

Report To: Affordable Housing Working Group (AHWG)

Issue: Rent Control Legislation

Discussion – Background and Current Status:

The Affordable Housing Working Group was asked to consider undertaking advocacy for rent control legislation in Newfoundland. Please review the attached backgrounder prepared as requested on this topic along with the original letter that was received by Councillor Lane.

Conclusion/Next Steps: With guidance from the Affordable Housing Working Group, this discussion will determine next steps re. rent control advocacy

Prepared by/Signature: Simone Lilly, Affordable Housing Development Facilitator

Approved by/Date/Signature: Judy Tobin, Manager of Housing Division

Attachments:

Attachment A- Rent Control Legislation- letter received

Attachment B- Backgrounder

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Attachment A

The following letter was received by Councillor Lane and forwarded to Affordable Housing Working Group for consideration.

“I am writing to raise the important issue of the lack of rent control legislation in St. John’s, and how that is affecting citizens who rent, especially those on the lower end of the income spectrum. I do realize that this legislation is provincial, but I think that St. John’s could be an important voice in getting this change to happen as it affects so many who live here. It is timely, with the new Landlord and Tenant’s Act coming out in 2019.

Most provinces in Canada have some form of rent control, where landlords may only increase rents by a set amount each year. This protects tenants from huge increases in rent should, for example, markets fluctuate. As an example, in Ontario: “The guideline is 1.8% for 2018 and 2019. It was 1.5% for 2017.

To give you a guideline rent increase, your landlord must follow these rules:

12 months apart: After you move in, your landlord must wait at least 12 months before raising your rent. And any increases after that also must be at least 12 months apart.

90 days' written notice: Your landlord must give you a written notice at least 90 days before your rent goes up. This notice should be on one of the forms from the Landlord and Tenant Board. If your landlord does not use the Board's form, the notice could still be valid if it includes all the information that is on the Board's form.” (source <https://www.cleo.on.ca/en/publications/rentincls/guideline-increases>)

As it is now, here in Newfoundland landlords can increase by any amount they choose, provided they give 6 months’ notice. It is a volatile situation for renters in the city, and the province as a whole. There is no change proposed to this with the new Landlord Tenants act coming out in 2019. It seems like it would be a simple matter to add some kind of limit to rent increases to the new act. Will you consider raising the issue of such a provision with the provincial government, in the name of protecting St. John’s renters?

Thanks a lot.”

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Attachment B

A frequent topic of discussion for tenants in Newfoundland and Labrador is that of rent control. Rent control or rent stabilization involves rules about how much rent can be increased for existing tenants within a given period. During a review of the Residential Tenancies Act in 2018 the provincial government opted to go with longer notice periods for rent increases rather than implement rent control guidelines.

In Newfoundland and Labrador, a landlord cannot increase rent within the first twelve months of tenancy, cannot increase rent during the duration of a fixed-term rental agreement, and can only increase rent once in a twelve-month period. A landlord must also provide written notice of the rent increase to the tenant at least six months prior to the increase becoming effective, which is an increase from the three months required under the previous version of the Residential Tenancies Act. There are currently no rules or limits regarding the amount a landlord can charge for rent.

Legislative Considerations

Residential tenancies in Newfoundland and Labrador are governed by the Residential Tenancies Act. Without legislative changes it doesn't appear that the City of St. John's could enact a rent control by-law as it would conflict with a piece of provincial legislation.

A significant obstacle when it comes to rent control in Newfoundland and Labrador is that tenants do not have "security of tenure". Put simply, security of tenure gives a tenant the right to remain in a rental unit indefinitely unless specific situations arise, which are listed in the governing legislation, giving the landlord "just cause" for the termination. For example, some of the possible reasons for termination under the Ontario Residential Tenancies Act include non-payment of rent, damage caused by the tenant, illegal activities, conversion to condominiums, interference with peaceful enjoyment, landlord requiring the unit for their own personal residence, etc. There are different requirements and notice periods depending on the reason for the termination.

In Newfoundland and Labrador, the Residential Tenancies Act allows a landlord to terminate a tenant without specifying a reason if they are not on a fixed-term rental agreement and enough notice is provided to the tenant. These "no reason" terminations are a significant concern in the context of rent control as they could create a situation where a landlord, unable to raise rent above some prescribed amount, would instead opt to terminate an existing tenant for "no reason" knowing that they can increase rent without restriction prior to a new tenant renting the unit.

It would be difficult to implement effective and meaningful rent control without also providing tenants with security of tenure as well, and to do so would require some significant changes to the Residential Tenancies Act. Not only would the Act need to provide a mechanism for determining the amount rent could be increased but it would also need to provide security of tenure as well, which would require an exhaustive list of situations that could arise and give the landlord "just cause" for terminating a rental agreement. It would be reasonable to expect strong landlord opposition to such changes as some control over rent rates and terminations would be taken away from the landlord.

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Provided that the legislative hurdles above could be overcome there are some positive and negative aspects of rent control to take into consideration.

Positive Aspects of Rent Control

- Can help keep rent amounts lower and make renting more affordable for existing tenants
- Can increase the chances of long-term tenancy and decrease tenant turnover
- Can help make rent increases more reasonable and predictable for existing tenants
- Can help increase housing stability for existing tenants
- In some jurisdictions rent is automatically decreased proportionately if the assessed value of the property decreases
- Can eliminate the risk of a landlord using a significant increase in the amount of rent to force a tenant out that they would otherwise be unable to terminate (assuming security of tenure)

Negative Aspects of Rent Control

- Can create a two-tiered rent structure where tenants renting similar units in the same building are paying two different rent amounts based on how long they've lived there, with newer tenants paying more than existing tenants
- Can limit the income earned by the landlord thereby increasing the chances they will sell the property or convert it for other uses
- Can cause landlords to become less responsive to issues of maintenance and repairs if they cannot keep rent rates in line with market rates
- Can serve as a disincentive for landlords and developers to create rental housing knowing there will be restrictions on how much they can earn from their investments
- Can cause rent rates on vacant units to be artificially high as landlords try to offset the effects of rent control on their other units
- Do not always keep rent rates within the guidelines since landlords can typically request above-guideline increases to pass the costs associated with capital improvements along to their tenants
- There may be an incentive for landlords to discriminate against tenants likely to stay for a long time, like retirees or couples with children

Comparisons

The following table shows a brief comparison of the average monthly rent for a two-bedroom unit in some cities across Canada for the years 2014 to 2018. Cities are group based on whether they are in a province with rent control legislation.

	2016 Census Population	Average Rent for 2 Bedroom Unit					Increase %
		2014	2015	2016	2017	2018	
No Rent Control							
St. John's, NL	108,860	\$883	\$896	\$911	\$903	\$937	6%
Red Deer, AB	100,418	\$984	\$1,036	\$1,004	\$1,003	\$1,013	3%
Moncton, NB	71,889	\$760	\$775	\$812	\$817	\$848	12%
Rent Control							
Brandon, MB	48,859	\$831	\$856	\$874	\$890	\$914	10%
Thunder Bay, ON	107,909	\$893	\$922	\$932	\$959	\$1,046	17%
Kelowna, BC	127,380	\$951	\$982	\$1,040	\$1,124	\$1,228	29%

Summary

Based on a simple comparison of some cities across Canada it doesn't appear as though rent control legislation is working to keep rental rates lower overall and it could be a contributing factor for higher rent increases in some jurisdictions.

In some cases, rent control legislation is having unintended negative consequences and leading to poorer relationships between landlords and tenants. Many tenants in the province have already expressed frustration over issues such as lack of maintenance and discrimination. Since these are also issues that can be made worse with rent control legislation such legislation may compound already-existing problems.

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INFORMATION NOTE

Title: Mapping Non-Market Housing Inventory

Date Prepared: 03/07/2019

Report To: Affordable Housing Working Group (AHWG)

Issue: Affordable Housing Update

Discussion – Background and Current Status:

Affordable Housing and Development Facilitator attended a presentation by a Cape Breton University researcher that looked at whether lower shelter costs were more likely to be in places with greater deprivation. Specifically, if amenities and services were further away for low shelter costs than for higher shelter costs in Cape Breton <https://www.cbu.ca/news-events/story/funding-awarded-to-cbu-professor-for-research-on-affordable-housing-and-neighbourhood-deprivation/>.

We have just completed a non-market housing inventory of the City of St. John's and as a next step would like to attempt to map units of this inventory. Mapping would not identify addresses as specific data points however would show areas of density. This map could then be overlaid with transit routes and amenities and services as a tool to advocate for further supports/ services in areas that are lacking.

For Discussion:

We would like to have a discussion on the suggested mapping project with the AHWG to walk through the first steps we have completed with this, barriers we have encountered and some considerations.

Conclusion/Next Steps: With guidance from the Affordable Housing Working Group, this discussion will finalize our direction with the non-market housing mapping project.

Prepared by/Signature: Simone Lilly, Affordable Housing Development Facilitator

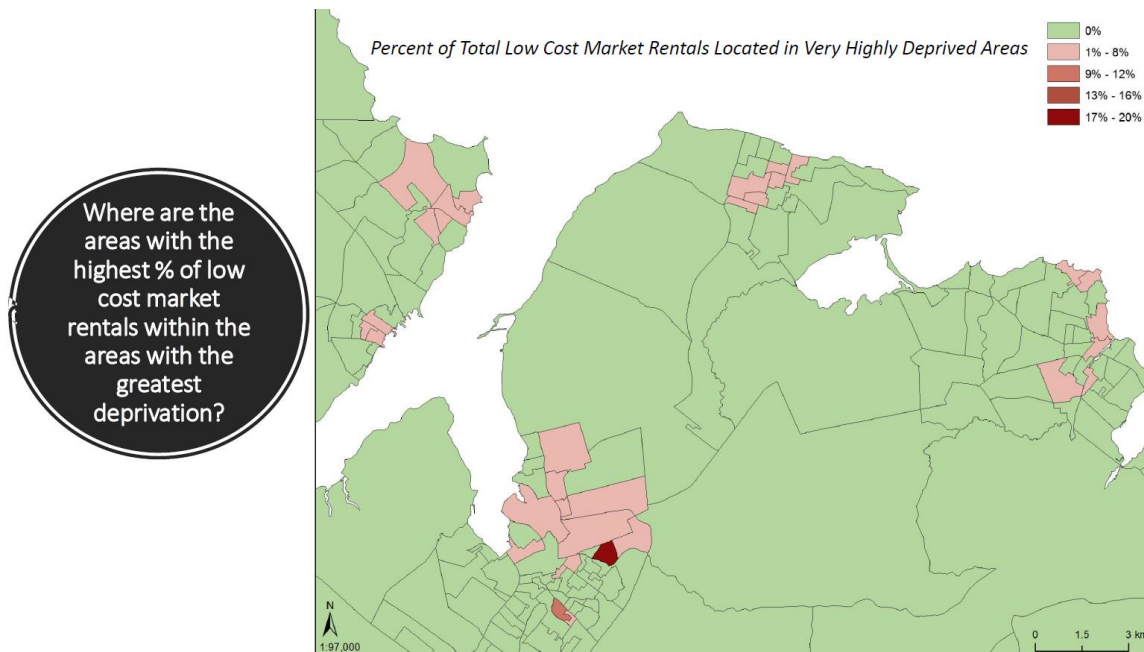
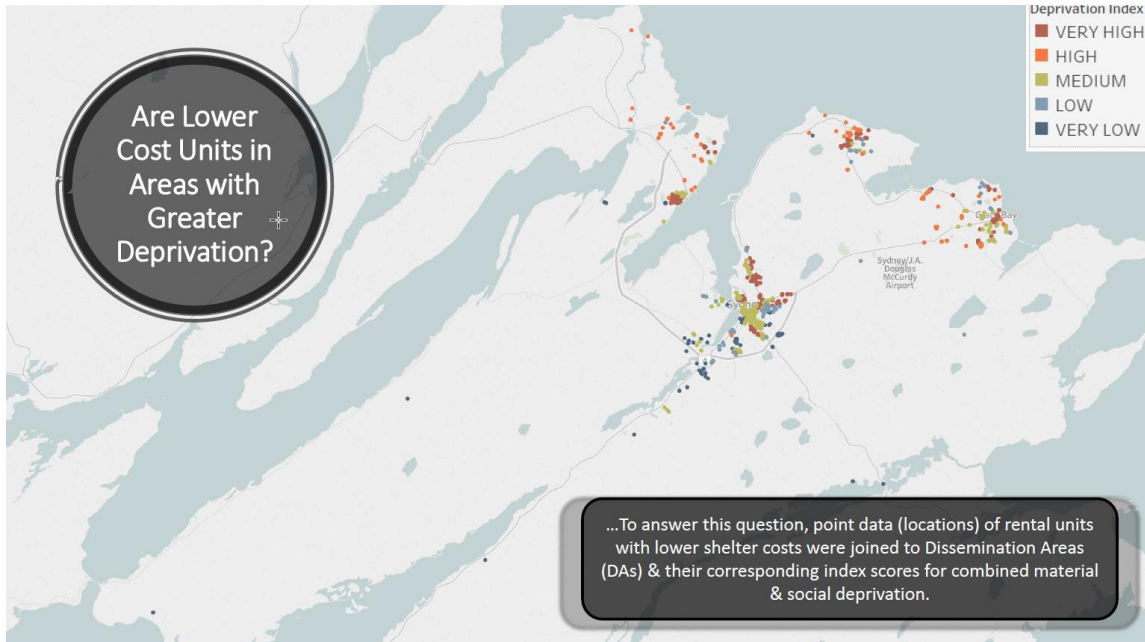
Approved by/Date/Signature: Judy Tobin, Manager of Housing Division

Attachments:

Attachment A: Example of deprivation/ density of lower cost rental unit map from Cape Breton Research project

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ATTACHMENT A



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INFORMATION NOTE

Title: Affordable Housing Advocacy

Date Prepared: 05/09/2019

Report To: Affordable Housing Working Group (AHWG)

Councillor and Role: Hope Jamieson

Ward: Ward 2

Issue: Advocacy

Discussion – Background and Current Status:

The next federal election will be held October 2019. For the past several months, CHRA has been hard at work preparing a campaign designed to influence the electoral platforms and positions of the major political parties, and ultimately, the next government. CHRA formally launched their election campaign – A Home For Everyone on May 8th, 2019. Key election messages have been developed along with a campaign website <https://www.ahomeforeveryone.ca/> and there are opportunities to become involved in the coming election campaign.

For Discussion:

We would like to have a discussion on whether the AHWG should participate through the CHRA campaign and/or write local candidates as a collaborative voice on social, non profit and community housing needs.

Key Considerations/Implications:

Conclusion/Next Steps: With guidance from the Affordable Housing Working Group, this discussion will finalize our direction with advocacy with the upcoming Federal Election

Prepared by/Signature: Simone Lilly, Affordable Housing Development Facilitator

Approved by/Date/Signature: Judy Tobin, Manager of Housing Division

Attachments:

Attachment A: CHRA Campaign Summary

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A HOME FOR EVERYONE

Every person living in Canada deserves a home that is safe, affordable, and meets their needs. However, for millions of people in Canada, access to safe and affordable housing is simply not possible. By protecting and strengthening the community housing sector in Canada, the federal government can play a key role in supporting community housing providers whose mandate is to provide access to non-market housing to those people who may otherwise have no other housing opportunities.

WHY DO WE NEED TO PROTECT AND EXPAND COMMUNITY HOUSING?

There are approximately **600,000 subsidized homes in Canada**, housing over a million people. By not protecting and expanding community housing, **we run the risk of increasing homelessness** and leaving hundreds of thousands of people in Canada without access to proper housing that they can afford.

WHAT DOES THE FEDERAL GOVERNMENT NEED TO DO?

The 2017 National Housing Strategy was a welcome step in reinvesting in community housing. But more needs to be done. **CHRA is advocating three specific recommendations in Election 2019:**

- » **Develop and implement an urban, rural and northern Indigenous Housing Strategy** to raise housing standards for Indigenous peoples to that of the non-Indigenous population.
- » **Preserve the existing stock of community housing** by making federal rent subsidies permanent, provide ongoing funding for repairs, and increasing federal investments in social supports.
- » **Increase the supply of social and non profit housing** through greater access to capital for new construction, and expand the Federal Lands Initiative.

THE NEXT FEDERAL GOVERNMENT NEEDS TO ENSURE A HOME FOR EVERYONE.



DURING THE 2019 FEDERAL ELECTION, WHAT CAN YOU DO?



- » Visit **ahomeforeveryone.ca** for more information on the challenges facing community housing providers.
- » From that website, **send a message to the candidates in your riding** telling them why reinvesting in community housing needs to be a priority.
- » Sign up for **CHRA's newsletter** to stay informed on campaign developments.
- » Tweet the candidates in your riding, using **#ahomeforeveryone**.
- » **Attend an all candidates meeting** and ask questions about community housing. If there is a housing-specific event in your region, encourage your friends and colleagues to attend.



Canadian Housing and Renewal Association

ahomeforeveryone.ca

Rents Are Becoming Unaffordable

According to the Rental Housing Index:

40% OF RENTERS IN CANADA ARE IN **CORE HOUSING NEED**
(spending over 30% of their income on rent)

18% OF RENTERS IN CANADA ARE IN **DEEP CORE HOUSING NEED**
(spending over 50% of their income on rent)

Demand for Social Housing is Going Up

Over the past 5 years, wait lists for community housing have gone up in most Canadian cities.

Calgary 16.4% ↑	Toronto 10.7% ↑
Moncton 28% ↑	Vancouver 22.9% ↑
Montreal 8.1% ↑	Whitehorse 55% ↑

Indigenous Peoples in Urban Settings

The 87% of Indigenous peoples living in Canada's urban and rural centres face unique housing challenges.

- » **1 in 15 Indigenous peoples are homeless**, compared to 1 in 128 for the non-Indigenous population.
- » **23% of Indigenous households live in unsuitable dwellings**, compared to 14% of non-Indigenous households.
- » Indigenous people suffer from much **higher rates of housing discrimination**, and do not live in housing that is culturally appropriate.

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