

Discussion Paper on

A HOUSING STRATEGY for Nova Scotia



AT A GLANCE

Housing matters. When people can choose the housing that's right for them

- Nova Scotia families are healthier, better-educated and better off
- Low-income and vulnerable people can live more self-reliant lives
- Our communities are healthy and vibrant, and offer more opportunities

But we face a challenge

- Real estate prices are pushing home ownership out of reach for many Nova Scotians
- Rent increases eat up more and more of tenants' income, making it harder to save and get ahead.
- Public housing can isolate people and raise barriers to independence. And federal funding is phasing out

These trends undermine the health of our families and communities, and severely limit Nova Scotia's economic opportunities.



So we're considering an innovative new approach: building diverse, mixed communities

... made up of people with a wide range of incomes and family situations, and offering many housing choices, from higher-end homes to social housing.

And the provincial government can focus on what we can do best:

Act as a catalyst for partnership and change

- Bring community groups, local government, social enterprise, developers, businesses and residents together and build modern, community-focused developments
- Support them with...
 - **capital**, through the Nova Scotia Housing Development Corporation's (NSHDC) role as a lender
 - **expertise and advice**
 - **connection** among people and organizations



Make owning your home more affordable

- Include *low-cost homes for purchase* in the developments we support
- Provide financing for *rent-to-own* opportunities
- Use the projects we lead to make the case for *private-sector low-cost housing*
- Offer funds for home repair, renovation and accessibility
- Finance *loans for energy-efficiency* upgrades

Make housing the first step in greater independence

- Adopt a *Housing First* model for homeless people especially those with chronic illness, disabilities or mental illness, integrating housing with services that help them participate more fully in the community
- *Integrate affordable, public and supportive housing* into mixed developments and offset costs with revenue from home sales and market rentals
- *Maintain grants and assistance to public housing*; our approach is not about cutting, but about making our investments go farther and help more

This document sets out a new approach.

Now we want to hear from you.

Learn more at:

housing.novascotia.ca



WHY HOUSING IS IMPORTANT

Housing encompasses so much more for Nova Scotians than just the basic need for shelter.

That's true whether you live in a downtown bachelor apartment, a duplex in the suburbs or a rural house on an acre of land — and whether you make mortgage payments, pay rent or co-op charges, or live in social housing. The home you live in plays a key role in shaping everything from your family life to your community, town or city.

When people are able to choose the housing that's right for them, it means better results for everyone. They're more likely to have a strong network of friends and neighbours. They have better access to everything from career opportunities to public services. Their children are healthier and happier, and do better in school.

We all benefit when everyone has the right housing options, because positive outcomes mean lower health, education and public service costs, a stronger economy, less pollution and waste, and better communities all around. That's why governments have played an active role in trying to ensure those options are available.



Here are some of the key ways that the right range of housing options can help all of us:

Supporting families and local economies

Affordability opens doors in many ways. Being able to buy your home means you start building equity; both as you pay down your mortgage, and as the value of your home increases. For many people, this will be a lifelong cornerstone for financial planning: allowing them to buy larger homes later on as their families grow, and serving as a crucial asset for their retirement.

And there's also a more immediate impact. When people don't have to struggle just to make the rent or mortgage, then there's money left over. That can allow them to save for a down payment, invest in their kids' education, build up their retirement savings, and spend in the local economy. That, in turn, supports local businesses and allows them to employ more people. And more of our young people can go to college or university, and find promising career opportunities closer to home.



Meeting a crucial need for vulnerable people and low-income families

For many people with low incomes, paying market rental rates just isn't possible. For them, publicly-supported housing is the only alternative to life on the streets. It's the difference that allows them to return to school, raise a family or train for a better job.

Others are vulnerable for different reasons. They may have a disability or chronic illness, or they may be seniors whose age means they're no longer as independent as they once were. Housing that can accommodate their needs, and provides ready access to the support and services they rely on, allows them to live with dignity and independence.

Building opportunity in vibrant, healthy communities

The choices we make around housing play a direct role in shaping the kind of communities we live in. Those choices affect the community's vitality; whether there's a vibrant street life; whether families and individuals can easily reach services, stores and amenities; and whether they help foster economic and cultural opportunities.

When a well-designed community can offer the right range of housing, combining market-based and publicly-supported options, bringing together a diverse range of family types, incomes and cultures, the results are remarkable:

- Adults and children are healthier and better educated
- There's less crime, and people feel safer — in their homes and on the streets
- More businesses start and prosper, offering a wider range of services and jobs
- There's less pollution and waste, because greater density and smarter construction allow for more efficient transportation and energy use
- With better results in health, education, safety and the local economy, the cost to taxpayers is lower

NOVA SCOTIA'S HOUSING CHALLENGE

For all of these reasons, governments at all levels have taken an active role in trying to ensure Nova Scotians can make the best housing choices for themselves and their families. And those past efforts have made a vital difference for countless thousands of people.

But now we face a major challenge. Between big changes in our economy and our population, the withdrawal of federal support, and new insights into what works in providing housing choices and what doesn't, Nova Scotia needs to consider new approaches — and reconsider old ones.

Housing costs are pricing too many Nova Scotia families out of the market

Our growing economy creates more opportunities for jobs and business in Nova Scotia. But in some areas, it has also meant rising real estate prices, and for a growing number of individuals and families, the barrier to buying a first home — or moving to a larger one — is too high to jump.

Behind the statistics: Human stories

Facts about rising prices and changing markets help us understand the size and scope of the challenge — but they often can't help us understand it at a personal level.

Here are a few examples of the difficulties Nova Scotians are facing in finding the right kind of housing for them and their families.*

** To protect privacy and still illustrate the issues involved, we've combined some typical, real-world situations to create composite profiles. The individuals aren't real — but the experiences are.*

Marie, 32 and Curtis, 35 — Dartmouth

Both Marie and Curtis hold down full-time jobs. Eight years ago, they graduated from university and found their first home — a two-bedroom apartment not far from work. But with their second child turning five and their first asking for a room of her own, the apartment is getting cramped.

They'd like to buy a bigger place, maybe a duplex; but they can't begin to afford the down payment on anything in their neighbourhood, let alone the monthly mortgage. The only places they've been able to find in their price range would mean a long commute for both of them. And even then, they'd be scrimping to make their payments — and cutting back both their retirement savings and savings for their kids' education.

In the short term, that forces more Nova Scotians to rent (which drives up the cost of rental housing). And it makes it harder for businesses to find and retain the skilled workers they need to sustain our economy's growth, because those workers can't afford to buy or rent a home nearby. These challenges are particularly difficult for single individuals and one-parent families.

Those who are able to buy have to dig deeper into their savings for a down payment, and spend more of their income on mortgage payments — leaving less money to spend in the community, and to save for education or retirement.

The long-term impact is damaging, too. Owning your home is one of the main factors that helps middle-class Nova Scotians get ahead in the long run. Rising housing prices threaten to put that hope out of reach.

The public housing solutions of the past aren't always working for people

Public housing has helped many Nova Scotians. But we're learning that the approach taken in past decades can have serious drawbacks.

Louis, 52 — Sydney

Louis has been battling Parkinson's Disease for some time, and now needs regular assistance as well as counseling for depression. He has been living on his own for several years, and thrives on community involvement, including volunteer work at a soup kitchen. A combination of neighbours and home care workers help him get through the day.

But he's finding it increasingly difficult to get around in his home, a two-storey row house. The stairs are the biggest issue, but everything from his bedroom to his bathtub poses harder challenges every day. It's clear he'll soon have to move — but despite an endless search, it's clear that a suitable place just isn't available. He's looking at having to move into a nursing home, far from his friends and the community where he volunteers.

Kyra, 78 — Bridgewater

Kyra has lived in Bridgewater all her life, most of it in the same house where she and her husband raised their five children. Her husband Walt died eight years ago, and the kids now have families of their own in Truro, Halifax and Toronto.

She's been able to get by on her pension and savings, but they're nearly depleted. She could rent out part of the house and live on that income... if she could get the money together to renovate and create an apartment, plus cover some expensive repairs. But that money just isn't available. She was turned down for a loan, and she's looking at having to sell.

The focus on large public housing developments has segregated low-income and vulnerable people. They're isolated from the rest of the community, often in aging houses and apartments that are falling into disrepair. And that isolation reinforces the stigma often attached to poverty and reliance on public assistance.

The issues aren't limited to large low-income housing projects. Smaller projects, like those in many rural communities, still isolate low-income homes, with the same easily-recognized architecture, often clustered together in whole blocks.

Public housing residents have historically not been given sufficient opportunities to shape and develop the communities in which they live, and far too often, people with disabilities have been required to live in larger residential settings rather than being fully integrated into communities.

These trends threaten community vitality

Between rising real estate prices and rental costs, and the serious issues facing public housing, Nova Scotia's communities have real challenges to face.

People who have low, medium and higher incomes don't interact nearly as much when communities begin to divide according to wealth. That undermines our sense of cohesion and belonging. And as prices rise, developers look more to building higher-end homes and neighbourhoods — which can be beautiful, but also often end up being sterile, and lacking the schools, public services, street life and diversity that does so much to lend life to a community.

Rural communities face a particularly difficult challenge of young people heading away to larger cities. The older population they leave behind needs more services and has fewer family members to fall back on; local governments see the tax base that can help fund those services shrinking. And it can be a vicious circle: the more young people who leave, the less able local governments are to provide the supports and services that make a community attractive to the ones who remain.

Additional challenges

These are the major housing challenges facing Nova Scotia. But they aren't the only ones.

Energy costs are rising around the world. Many Nova Scotia homes, especially older ones, waste a lot of energy because of serious inefficiencies, such as poor insulation and old, poorly-maintained heating systems.

Owners and tenants of those homes are especially vulnerable when the cost of electricity, natural gas or home heating fuel rises. Government's public housing can be vulnerable to the same kind of energy inefficiencies.

There's a lot of creativity and ingenuity in our communities that could help us meet these and other challenges. But too often, we don't have the catalyst who can bring together developers, community organizations and others, and help them find the capital they need to translate great ideas into real-world success.

All market? All government?

The federal government's plan to stop funding public housing raises a bigger question: should government be involved at all in housing? At a time when governments everywhere are strapped for money, maybe it makes sense to rely on the market to solve housing issues.

There's no question that there would be some short-term advantages, such a temporary easing of provincial budget pressures with the elimination of government funding.

But as we've seen in other places, there would be drawbacks, both immediate and, more severely, long-term:

- Left on its own, the private market tends to focus on luxury and high-end developments, not on affordable housing. The result is that lower-income and middle-class residents are pushed out of communities, as affordable homes are bought and redeveloped for high-price housing.

- Over the longer term, the burden on taxpayers increases. Without enough affordable housing, the costs of health care rise; unemployment and welfare costs go up as well. Crime increases, and with it the cost of policing as well as jailing convicts.
- Sprawl often results in lower-density development making it more expensive and less efficient to deliver services. That also makes public transportation less feasible, resulting in more pollution, traffic congestion and higher road construction and maintenance costs.

On the other hand, it's also clear that the Nova Scotia government can't — and shouldn't — take on housing on its own. And not just for financial reasons: we'd be ignoring the entrepreneurial energy and ingenuity of Nova Scotia's business sector, as well as our local governments, non-profit organizations and grassroots communities. We need our province to draw on all of our strengths to craft innovative solutions together.

INNOVATIVE, PRACTICAL HOUSING SOLUTIONS

Nova Scotia's housing challenge demands innovation and cooperation, not only from government but from business and our communities as well. Our approach must address the realities of the real estate and rental markets families face today; the financial limits of government; the lessons learned from housing policies and initiatives here and elsewhere; and the different needs of Nova Scotia's urban and rural communities. Most important, our approach must support healthy, vibrant, diverse communities.

Here is the broad direction we propose to take. We're asking for your help to make sure we're on the right track. And we want you to help identify the critical concerns and issues we should address along the way, along with the opportunities we should be exploring for innovation and partnership.

A new approach to building diverse, mixed communities

One of the most important ways to promote the health and vitality of a community is to ensure its diversity. In a healthy, diverse community, you aren't only meeting people who are just like you. Instead, seniors live next door to single professionals; couples say hello to single parents on social assistance every morning in hallways; and people with chronic disabilities mingle with grandparents, parents and kids in the parks, streets and sidewalks.



The goal of this approach is the development of neighbourhoods with people from a wide range of incomes, backgrounds and family types.

This approach promotes *mixed tenure* developments. That is, instead of large projects of only one type of tenure — owner-occupied, for example, or public housing — these communities would have rental homes, co-ops, publicly-supported homes and owner-occupied homes side-by-side. And a big part of the goal is to ensure that people aren't sure what their neighbours' tenure is; unless you decide to tell other people, they won't know if you own your home, rent it, or have your rent covered partly or completely through government help.

These communities would have a broad *mixture of family types*: people living on their own, senior couples, two-parent and one-parent families, people with disabilities, and more. This, too, helps to ensure a diverse range of people can live together free from social isolation and be given greater opportunities to contribute to their communities.

This approach also recognizes that local governments and their citizens need the flexibility to design community plans that increase density and provide market incentives which enable affordable home ownership and rental property development.



A new role for government: a catalyst for partnership and change

Traditionally, the provincial government has played only a few roles in housing — but they've been major ones: developing and running public housing projects; providing funding to make rental maintenance renovations more affordable and to encourage developers to build more affordable homes; and regulating in areas like landlord-tenant relations and the real estate industry.

But the role the province hasn't played nearly as much is as a catalyst: a force for bringing people and organizations together to find common ground, and work together to build healthy communities.

This new approach would change that. Instead of building projects on our own, the **Nova Scotia government can become a partner with community groups, local governments, social enterprise, developers, business and residents.** And we would plan our developments with full public consultation, with an eye to building strong, diverse communities, well-served by amenities and public services, offering solid opportunities for local businesses.

With some of those developments, we would lead the project — bringing in partners to collaborate and consult with us. With other developments, the province can be a facilitator, helping people that have identified needs and opportunities to connect with:

- Community organizations and each other, to draw together the wisdom and energy of the community
- Architects, planners and developers, to help them shape and realize a project vision
- Businesses and social enterprises, to help ensure the services and amenities a community relies on

The Nova Scotia government can also provide expertise and advice, drawn from extensive experience developing and managing housing, and our large stores of data and reference information. Our analysis services can help assess business plans, finding potential weaknesses as well as overlooked opportunities.



Perhaps most important, when a project meets our standards for social benefit and mixed, vibrant communities, **we can provide capital — often the missing piece of the puzzle in developing housing projects.** The Nova Scotia Housing Development Corporation (NSHDC) acts as a lender as well as a developer, backed by \$1.4 billion in assets; we can provide loans and guarantees for community groups, social enterprises and businesses that are willing to provide a particular level of social housing benefit in their project.

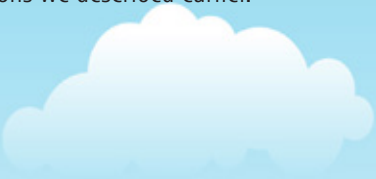
We would start carefully, choosing the communities where local partners and conditions are best positioned to help our projects succeed. Those initial projects would become both learning opportunities and ways to demonstrate how this approach is viable — for neighbourhoods, for businesses, for governments, but most of all, for the people who live there.

Making owning your home more affordable

For many Nova Scotians, owning their own home will mean the difference between some level of financial security and a lifetime of struggle to make ends meet. The equity they can build in their home is their main hope for acquiring the wealth that can see their children off to college and university, and lay the foundation for a comfortable retirement.

How this can help

Our goal is to ensure people can find the right housing choices for themselves and their families. Here's how we would like to see this new approach help people in the typical situations we described earlier.



Marie and Curtis: A new development not far from their current apartment is selling the kind of luxury places they know they can't afford — but there are also several new homes at a much lower price. They don't have the same high-end features as some of their neighbours, but there's a three-bedroom that would be perfect: walking distance to a new school and to transit. They'll still have to dig deep for the down payment, but now it's possible.

The province can help bring that dream within reach for many more Nova Scotians

— including people with modest incomes. Here, too, the NSHDC's role as a lender can make a big difference. As part of our new approach, we can:

- Ensure a new supply of low-cost homes for purchase, earmarked as part of the housing mix in the developments we create and support
- Provide financing to support rent-to-own opportunities for tenants and co-op members, so a portion of their monthly rent or co-op payments goes to a down payment
- Demonstrate by example the business case for building affordable real estate, and encourage developers to begin tapping this under-served market

And our support can be more indirect, while still making home ownership more affordable (and helping tenants and co-op members find the money to save for a down payment).

We can build on existing programs to provide:

- Expanded access to funds for home repair, renovation and home adaption, available to individuals, co-ops and community housing
- Financing for loans to pay for energy-efficiency upgrades, paid off over time in energy savings

Louis: The organization that runs the soup kitchen where Louis volunteers is also part of a partnership building a development around a new community health centre, with credit from the provincial government and the participation of a developer and three other service agencies. Louis speaks at a consultation session and explains his needs; three other people in similar situations speak up too. A little over a year later, he moves into a ground-floor apartment with easy access to the services he needs. He still volunteers when he's having good days: once in a while at the soup kitchen, more often at the health centre.

Kyra: With help from a provincial housing worker, Kyra puts together a simple plan setting out the cost of renovations and repairs, the rent she'll be able to charge, and the money she'll save on home heating by insulating and replacing windows. The province then offers her two loans — one dedicated to the energy efficiency upgrade, the other for the rest of the renovations — with repayment schedules based on the income in her business plan. Over the summer, her visiting kids pitch in with the renovations, and that October, her first tenant moves in.

Housing that helps people get ahead

We want to be able to provide homes for everyone who needs them. But our answers in the past have turned out to succeed only in part. The drawbacks of the old approach, and the damage of segregation and isolation, are clear to everyone.

When we develop mixed communities, we can take advantage of having market housing side-by-side with publicly-supported housing — using the income from sales and rental of one to offset the costs of the other. This model has been highly successful in many different places. The Regent Park redevelopment in Toronto, the Woodward's project in Vancouver, and many projects in Europe and the United States have all followed this strategy, in close consultation with local governments, their residents and the surrounding community — and the results have transformed and revitalized their neighbourhoods.

A new model called “Housing First” also holds real promise as one way of assisting homeless people especially those with chronic illness, disabilities and mental illness. Housing First sees housing as more than just a roof over someone's head: it's the stable base for building a life in the community. Finding the right housing is only the first step; a Housing First model includes a range of services and supports, tailored to an individual's needs and capabilities, to help them appreciate their strengths and address the challenges they face. Those services might range from addiction and mental health services to help with daily errands like shopping, to finding opportunities to volunteer, or landing a job.

That can work especially well in a mixed, diverse community. There are many more opportunities to take gradual steps to full participation in an inclusive community, with a wider range of services and local amenities — from parks to shops to transit — available nearby.

A sound business case

In developing this approach, we have kept one consideration uppermost: ensuring Nova Scotia taxpayers don't shoulder any financial risk.

To do that, we've worked from proven models — real-world cases under a variety of circumstances that have led to great outcomes for communities and governments alike.

When we take on projects, we'll require solid income statements and hard business cases — and we'll watch their progress carefully, to keep them on track.

In the long run, this approach will reduce the burden on taxpayers, because we'll have a healthier population, less crime, and more economic opportunity and prosperity.

CONCLUSION

The approach we outline in this document is a big change from Nova Scotia's past approach to housing, but we believe it's truer to the spirit of our communities and our province. It speaks to our belief in cooperation and building things together; to the value we place on innovation and the entrepreneurial spirit; and to our commitment both to self-reliance, and to taking care of each other.

The components of this approach are designed to reinforce each other. Affordable housing, whether it's rental or home ownership, strengthens and diversifies our communities, and helps people to get ahead financially. More diverse, vibrant communities create more economic opportunity and social cohesion.

Ensuring Nova Scotians have the right range of housing choices is important socially, economically and environmentally. But it also goes to the heart of our identity as Nova Scotians — which is perhaps the most important reason we would like to hear your views.

Please review these questions. Take them as a starting point as you help us make sure we're on the right track: let us know as well where there are issues or concerns we have missed, opportunities we could be seizing, and ideas we should explore. And together, let's build homes and communities that reflect the very best of Nova Scotia.

QUESTIONS TO CONSIDER

Based on our aim to create diverse mixed communities, to make homes more affordable, and to make housing the first step in greater independence:

1. **How could this meet your individual needs?**
2. **How could this meet your community needs?**

Based on our aim to partner for change and work with communities:

3. **What is your best advice on making sure this is successful?**
4. **How do you want to be engaged?**



You can send us your feedback in one of two ways:

By mail

Department of Community Services

5675 Spring Garden Road

P.O. Box 696

Halifax, N.S.

B3J 2T7

Attention: **Housing Strategy**

Or

Online at **housing.novascotia.ca**



