

Grow and sustain co-operative housing

Nova Scotia 2024 Pre-Budget Submission



Co-operative Housing
Federation of Canada

Department of Finance and Treasury Board
Budget engagement
PO Box 187
Halifax, Nova Scotia B3J 2N3
budget@novascotia.ca



Recommendations for Nova Scotia's 2024 provincial budget:

1. Dedicate additional resources for new co-operative and non-profit housing development, such as increased pre-development funding and further investments to acquire existing rental properties (e.g. existing Community Housing Acquisition Program)
2. Allocate sufficient rental assistance funding specifically geared to low-income households in co-operative housing

Current state of housing in Nova Scotia

More needs to be done to address the housing crisis in Nova Scotia. Like most cities in Canada, the cost of housing has grown faster in Halifax than incomes in recent years. And renters in rural areas are feeling the squeeze, as there are fewer and fewer options in the province. Non-market options, like co-op housing, are essential to bring housing security to those who need it.

In January 2023, there were 4,790 applicants on the waitlist for community housing. To house them all, the province would need to increase the supply by 40 per cent ([CHRA 2023](#)). New housing is being built, but the province has an aging housing stock. As of 2016, a high proportion of the population lives in homes built prior to 1960, and Nova Scotia has the smallest proportion (10.9 per cent) in Canada of the population living in housing built since 2006. Canada's community housing makes up 5.5 per cent of all housing units in the country, which is lagging compared to peers. Bringing it up to 7 per cent– the OECD average – by 2030 would boost economic productivity in Nova Scotia alone by a staggering 5.7 per cent to 9.3 per cent. Specifically, Nova Scotia's community housing stock would need 9,450 additional units by 2030. With limited housing options, non-market housing is a sound public investment, which remains at-cost for long-term affordability. Co-ops and non-profit housing have smaller year-to-year increases as there is no profit generated from housing charges that goes to investors or landlords.

CHF Canada shares the government's vision to ensure that all Nova Scotians can live in a home they can afford in a healthy, vibrant, and diverse community. There are 69 housing co-operatives in Nova Scotia, representing 1,715 households. Our recommendations for the 2024 Provincial Budget are in the context of the co-operative housing sector's willingness and dedication to work together to achieve this vision.



New co-operative and non-profit housing development

Recommendation #1: Dedicate additional resources for new co-operative and non-profit housing development, including pre-development funding and further investments to acquire existing rental properties (e.g. existing Community Housing Acquisition Program)

CHF Canada wants to preface by acknowledging the significant work undertaken by the Province of Nova Scotia to support the growth of the co-op housing sector and to develop new housing across the Province. We support continued funding towards programs such as the Community Housing Acquisition Program, the Nova Scotia Community Housing Growth Fund (administered by the Community Housing Transformation Centre), and the Affordable Housing Development Program. Our recommendation is for the Nova Scotia government to increase and dedicate additional resources towards these funding programs which the co-op sector (e.g. Compass Nova Scotia) has leveraged for development. In particular, \$50,000 for pre-development activities related to the construction of new affordable housing supply is insufficient. To scale up, increased funding up to \$100,000 for such pre-development activities would significantly improve the capacity and ability of the co-operative and non-profit housing sector to build more affordable housing, faster.

All types of housing are needed along the housing continuum, but there needs to be dedicated resources to grow co-operative, non-profit, and community housing. We support initiatives such as the newly announced federal GST rebate for purpose-built rental housing and co-op housing, to facilitate the building and growth of more homes. In addition, while there is a real need for new housing supply, many marginalized individuals and households may not benefit for a long time. Low- and middle-income earners have limited options, as incomes do not keep up with the rising costs of owning or renting a home. That is why there is urgency to protect existing affordable homes. The Community Housing Acquisition Program fills a much-needed gap to support non-profit and co-op housing providers to preserve and expand the supply of non-market housing. This program is a model that is frequently mentioned to the federal government, other provinces, and municipal governments in advocacy for other acquisition programs. The Nova Scotia government should expand this funding in the upcoming 2024 Budget.



Rental assistance for low-income co-op members

Recommendation #2: Allocate sufficient rental assistance funding specifically geared to low-income households in co-operative housing

Rental assistance programs are a straightforward way to help low-income households cover the cost of rent, and weather the increasing cost of living. We acknowledge that there is the existing Canada-Nova Scotia Targeted Housing Benefit, but we would like to see specific funding allocated for low-income members in co-operative housing. Long-term rental assistance programs for low-income households in co-op and non-profit housing is a responsibility of the Province, so that people can live and thrive in Nova Scotia. Co-op members, along with CHF Canada, recommend a 10-year rental assistance program, which would provide low-income households the critical support they need to live and thrive in Nova Scotia.

When existing operating agreements ended, the Province of Nova Scotia switched to month-to-month or annual extensions on rent supplements for co-ops to administer. However, this extension on rent supplements is ending. This change creates undue pressure for low-income households, making it difficult to plan their monthly expenses. In addition, co-ops will be less likely to accept low-income households when a unit becomes available, since they cannot guarantee rental assistance. This denies Nova Scotians the opportunity for at-cost housing in co-ops.

Housing co-ops are vibrant communities that provide homes to low- and moderate-income households. As of April 2022, approximately 15 per cent of co-op households access rental supplements and receive \$355/month on average. The Government of Nova Scotia has a responsibility to support low-income households to live affordably and at a reasonable cost. This is also a cost-saving initiative for the government, as it costs less to meet this gap for co-op units rather than market units.

Co-ops want to provide individuals and families of all income levels with the security, vibrancy and stability of co-operative living, but their ability to do so depends on the availability of long-term, predictable rental assistance programs. While we can only speak on behalf of the co-op housing sector, we recommend extending this rental assistance proposal to non-profit housing providers, who will also face challenges without continuous, stabilized rental assistance.



Community-driven solutions to the housing crisis

The co-op movement is resourceful, passionate, and committed to our vision of co-op housing for all. Housing co-ops are unique in that they develop people of all income levels into capable community leaders by empowering people to participate in the management of their home and community. Investing in long-term solutions that support community well-being must be a top priority. This is the time for ambitious, public investment in people and in communities. This is the time to invest in housing across the province.

A housing system that works for all Nova Scotians must include more co-operative housing.



About CHF Canada

CHF Canada is the national voice of co-operative housing, representing 2,200 housing co-operatives, home to a quarter of a million people in every province and territory. Co-operative housing is a well-documented success story. For over 50 years, co-ops have provided good quality, at-cost housing owned and managed by the community members who live there.

Contact

Diana Yoon
Program Manager, Policy &
Government Relations
dymoon@chfcanada.coop
1-800-268-2537

Karen Brodeur
Atlantic Regional Manager
kbrodeur@chfcanada.coop