# Housing Action Plan

for Prince Edward Island





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### Vision and Guiding Principles

## **VISION**

All Islanders have timely access to safe, accessible, appropriate, and affordable housing that meets the diversity of their needs and maximizes their ability to be healthy, productive, and successful.

#### **GUIDING PRINCIPLES**

**COLLABORATION** – among the private sector, the non-profit sector, communities and all levels of government.

**INNOVATION** – to build on initiatives that work well and develop new and pioneering approaches to meeting the long-term housing needs of Islanders.

**EVIDENCE-INFORMED DECISION MAKING** – to ensure actions have achieved intended purposes and are based on best practices.

**ACCOUNTABILITY** – to Islanders through regular monitoring and evaluation to ensure the plan is meeting the needs of Islanders.

#### **RECOGNIZING DIVERSE**

NEEDS – to ensure all Islanders – regardless of age, abilities, beliefs, ethnicity, indigenous background, health status, family status, sexual orientation, gender, or income level - have safe and affordable housing.

These Guiding Principles are foundational to the plan and inform all actions.





### Housing Trends in Prince Edward Island

## SETTING THE CONTEXT

### Demographic Shifts with an Aging Population

In 2017, 19% of Islanders were age 65 and over. It is forecast that the number of Islanders over the age of 65 will increase to 23.3% by 2027 and to 25.1% by 2037. There is a trend for rural-to-urban migration, especially for seniors who are downsizing and moving from owned homes to smaller rental units in urban areas. At the same time, family and seniors social housing turnover rates continue to decline, reducing access for those waiting for units. With the increase in the seniors population, it is expected that the need for seniors housing will continue to increase year over year for the foreseeable future.

### **Population Growth**

Prince Edward Island's population grew by 1.6% from April 2017 to April 2018. Immigration to the province increased by 12.4% from June 2016 to July 2017. This followed an increase of 50.5% the previous year. In May 2017, the government released Recruit, Retain and Repatriate: A Population Action Plan for Prince Edward Island. Under the plan, the province is expecting further population growth of 2200 to 2500 each year, with a target of reaching a population of 160,000 by 2022.

Approximately 90% of new immigrants first settle in the Charlottetown area; there are indications that their preference is to rent for at least a year before buying. Housing is a key support to enable continued population growth.

#### **Increased Gentrification**

New housing starts in the rental market in the past two years have largely been high-end units, as opposed to housing that is geared to low and moderate-income Islanders. Gentrification through renovations is also occurring. Gentrification in a tight housing market impacts affordability and availability of housing.

#### **Increase in Tourism**

Tourism overnight stays increased by 6.5% in 2017 over 2016, with over one million overnight stays. Room-nights-sold for fixed roof accommodation increased by 4.1% in 2017 over the previous year while campground total nights sold increased by 11.6% over last year.

Tourism accommodation demand has increased so rapidly that the overall demand for short-term rentals has outstripped construction of such dedicated additional units. This has led to transference of rental units from the long-term rental housing market to the more lucrative



short-term tourist rental market. Websites for short-term rentals make it increasingly easy for owners to advertise their unit to the world.

### Increase in International Students

In Charlottetown in particular, the increase in international students attending both Holland College and the University of Prince Edward Island (UPEI) is impacting housing availability. Since 2015, international enrollment at Holland College has risen steadily from 140 students to an anticipated 400 students in 2018. UPEI has also experienced steady increases in international enrollment since 2014. The number of students from PEI has dropped to 58% in 2016 from 63.6% in 2014 while overall enrollment has increased. The rise in international students and students from other provinces continues to impact housing demand, especially in Charlottetown.

### **Supply Changes**

Availability and affordability challenges for housing in PEI have recently intensified. In fall 2016 CMHC (Canada Morgage and Housing) forecasted a vacancy rate in Charlottetown of 3.4% and that the average rent for a two-bedroom unit in Charlottetown would increase by only 1% over 2014 rates by 2017, and 2.3% in 2018. In Fall 2017, CMHC revised that forecast to a 0.5% vacancy rate for 2017 in Charlottetown. At the same time, the average rent for a two-bedroom unit in Charlottetown increased by 9% over 2014 rates in 2017, and is forecasted to rise to 13.7% over 2014 rates in 2018.

In Fall 2016, CMHC forecast new housing starts to be at a high of 345 in 2017. In fact, housing starts totaled 599 in 2017, with 377 completed. Although the market is responding positively by increasing builds, the increase in housing starts has been more prevalent in the single unit category as opposed to multi and semi unit categories.



This action plan is meant to benefit Islanders;

it is now up to all of us to provide timely access to safe, accessible, appropriate, and affordable housing.

## AFFORDABLE HOUSING FOR ALL ISLANDERS

Canada Mortgage and Housing
Corporation (CMHC) definition: "housing
is considered affordable if shelter costs
account for less than 30 percent of
before-tax household income"

Affordable housing has also been defined as rental rates being 20 percent below median market value.

CMHC website www.cmhc-schl.gc.ca/en/inpr/afhoce/afhoce\_021. cfm on February 22, 2018.

Housing is an important support for individuals and families to be healthy, productive and successful citizens, and contributors to our society. It is not just about buildings; safe and appropriate housing is a basic support that contributes to personal well being, economic strength, and strong communities.

In Prince Edward Island (PEI) the housing landscape has rapidly changed due to multiple trends: (see Setting the Context, page 4)

- demographic shifts of an aging population;
- population growth;
- increased gentrification;
- increased tourism and increased urban settlement; and
- an increase in international students.

These factors and the pace of change are impacting housing affordability and availability in PEI.

While the housing market consistently evolves in response to supply and demand, we are in a period of particularly dynamic change. The market in PEI is responding as reflected by the initiation of housing projects right across the Island; municipal engagement in housing issues; and an interest in increased collaboration and partnerships by housing providers across the continuum.

At the same time the market is responding, government is investing. In the 2018-2019 Budget Speech, government committed to creating up to 1,000 new affordable housing units over four years and announced more than \$17 million in housing investment over two years.

In addition, as part of the 2018-2019 Budget Speech, government committed to the creation of 100 new private nursing home beds over the next two years. There are also broader opportunities to access funding and partners through the National Housing Strategy.

Recognizing the complexity of the issues and the pace of changes in the environment, the scale of the challenge is such that no one level of

government or organization alone can meet the need.

As housing providers, we need to work together to grow our collective capacity to understand the current, and predict the future, housing environment and take advantage of housing investments and partnerships to best meet housing needs.

### In the 2018-2019 Budget, government committed to more than \$17 million in housing over two years.

#### In 2017/18:

- \$1.8M to complete capital renovations at government's 1,500 family and senior housing properties.
- \$650,000 for five non-government organizations to fund existing supportive housing and to create 18 new units of specialized residential housing.
- \$1.65M for the Seniors Independence Initiative to provide Island seniors with funding for practical services to support them in maintaining their independence.
- \$3M Community Housing Fund, to be administered by the Canadian Mental Health Association. This fund will bring community partners together to work on long-term housing solutions.

#### In 2018/19:

- \$2M for Housing Action Plan initiatives to increase the supply of affordable housing and maintain current affordable housing. Government will be working with community partners to ensure those most in need benefit.
- \$2.9M over three years with \$1.3M in 2018/19 - a Health PEI / CMHA partnership to create 10 units of transitional housing.
- \$5.2M to create new seniors housing units.
- \$1M to create transitional housing for victims of family violence and children leaving the child protection system.
- \$750,000 Capital Budget investment to ensure over 1,100 seniors housing units continue to be well-maintained and upgraded.
- \$500,000 increase in social assistance shelter rates to bring them more in line with housing market conditions.

## THE ACTION PLAN

### Goal #1:

### **AVAILABILITY**

Ensure the availability of diverse housing options for Islanders.

#### Goal #2:

#### **AFFORDABILITY**

Build the capacity of stakeholders to provide affordable housing and increase the affordability of housing for Islanders, especially those most in need.

### **Goal #3: SUSTAINABLE COMMUNITIES**

Ensure communities have sustainable housing that is safe, barrier free, supports aging in place, encourages both energy efficiency and financial sustainability, and supports diversity so Islanders can live in appropriate housing in their community of choice.

### **HOUSING FRAMEWORK**



### 2018-2019 Targets

- create 275 affordable housing units
- · build capacity and streamline processes along housing continuum
- create leadership structure to support plan implementation, measurement, and reporting

### 2019-2023 Targets

- create 725 affordable housing units
- develop with community partners priorities for future investments based on need
- continue to build capacity and streamline processes along housing continuum

#### **Goal #4:**

### COORDINATION AND COLLABORATION

Provide seamless services and maximize supports to Islanders through coordination and collaboration amongst all levels of government and community organizations.

#### **Goal #5:**

### **LEADERSHIP**

Provide strong leadership that uses evidence-informed decision making built on best practices and data to support implementation and provide ongoing evaluation, monitoring, and reporting.

GOAL #1: AVAILABILITY			
Action Items	Proposed Partner Groups	Implementation Timing	
Create 1000 affordable housing units to remove households from core housing need (social, emergency, transitional, supportive) including building new units and rent supplement of existing units.	<ul><li>Provincial Government</li><li>Federal Government</li><li>Municipalities</li><li>Community Groups</li></ul>	<ul> <li>275 units - 2018/19</li> <li>775 units - 2019/20 to 2021/22</li> </ul>	
Create, through implementation of the Social Infrastructure Fund, a minimum of 74 social housing units to support Island seniors with appropriate, affordable and suitable housing.	<ul><li>Family and Human Services</li><li>Community Groups</li></ul>	• Spring 2019	
Create, through implementation of the Social Infrastructure Fund, up to 10 housing units to support victims of family violence as they transition to safe living arrangements.	<ul><li>Provincial Government</li><li>Federal Government</li><li>Community Groups</li><li>Developers</li></ul>	• Spring 2019	
Create 100 new private nursing home beds to address wait times for Island seniors and their families.	• Health PEI	<ul><li>50 by October 2018</li><li>50 by June 2019</li></ul>	
Create 10 transitional housing units to support Islanders with mental health needs as they transition back into community life.	Health PEI     Community Groups	• Fall 2018	
Implement \$3M Community Housing Fund in collaboration with community partners to deliver housing solutions.	Housing Council     Housing Hub	• 2018-2021	
Enhance government owned social housing to maintain appropriate, affordable and suitable housing for low income Islanders.	Family and Human Services	• 2018-2023	
Identify surplus land for use in affordable housing projects.	<ul><li>Provincial Government</li><li>Municipalities</li><li>Community Groups</li></ul>	• Fall 2018	
Collaborate with municipal and community partners (lead partner - Canadian Mental Health Association) to initiate a National Co-investment Fund pilot project to model innovative housing solutions.	<ul><li>Provincial Government</li><li>Federal Government</li><li>Community Groups</li><li>Developers</li></ul>	• In progress	
Work with municipalities and the Federation of PEI Municipalities to identify best practices and benchmarks to streamline development supports for affordable housing, including regulation processes, incentives, needs assessment and capacity.	Municipalities     Provincial Government	• Fall 2018	
Work with IRAC to increase understanding of housing market conditions and their impact on the rental rate setting process.	Island Regulatory     Appeals Commission	• Fall 2018	

Action Items	Proposed Partner Groups	Implementation Timing	
Promote, incentivise and facilitate immigrant investment in affordable housing development including bonus points for immigrant applicants willing to invest in affordable housing projects.	Island Investment     Development Inc.	• Fall 2018	
Examine options for the provision of provincial incentives to developers and community partners including: expedited permits; tax incentives; grants and creative financing opportunities to spur the development of affordable housing.	<ul><li>Community Groups</li><li>Department of Finance</li><li>Developers</li></ul>	• Fall 2018	
Expand opportunities to evolve the use of social housing for other population groups such as supportive housing.	<ul><li>Family and Human</li><li>Services</li><li>Community Groups</li></ul>	• In progress	
Identify affordable housing properties at risk, through sale or other means, and examine ways to keep them affordable.	<ul><li>Family and Human Services</li><li>Community Groups</li></ul>	• 2019-2023	
Continue to develop, align and communicate incentives for affordable housing to developers and community partners.	<ul><li>Community Groups</li><li>Federal Government</li><li>Municipalities</li><li>Housing Hub</li></ul>	• 2019-2023	
Using the Housing Hub, examine emerging affordable housing trends and practices including:  • garden suites, micro-units, zoning allowances; and  • shared housing incentives.	<ul> <li>Family and Human Services</li> <li>Municipalities</li> <li>Community, Lands and Environment</li> </ul>	• 2019-2023	
Using the Housing Hub, examine opportunities and incentives to encourage property owners to retrofit older, vacant homes and vacant commercial space to create affordable units.	<ul><li>Family and Human Services</li><li>Department of Finance</li><li>Municipalities</li></ul>	• 2019-2023	
Through the Housing Hub, partner with the construction industry to identify options to quickly increase housing supply when necessary.	<ul> <li>Workforce Advanced Learning</li> <li>Skills PEI</li> <li>Holland College</li> <li>Construction Association</li> </ul>	• 2019-2023	
Update Rental of Residential Property Act and Regulations to ensure practices are current and fair.	<ul> <li>Communities, Land and Environment</li> <li>Office of the Director of Residential Rental Property</li> </ul>	• 2019-2023	
GOAL #2: AFFORDABILITY			
Action Items	Proposed Partner Groups	Implementation Timing	
Partner with The Co-operative Housing Federation of Canada to foster the growth and evolution of co-operative housing across PEI.	Housing Hub	• Summer 2018	

Action Items	Proposed Partner Groups	Implementation Timing	
Create capacity to enable community partners, developers and other levels of government to identify and develop solutions to support Islanders experiencing housing affordability challenges (Community Housing Liaison).	Housing Hub	Completed: April 2018	
Extend expiring affordable housing agreements with developers to protect current affordable housing stock.	<ul><li>Family and Human Services</li><li>Municipalities</li><li>Federal Government</li></ul>	• In progress	
Create an affordable housing loan fund which may be used to leverage other funding including the National Housing Co-Investment Fund. Loans will be made for new housing construction, acquisition of affordable housing stock at risk, and rehabilitation of existing stock.	• Finance PEI	• Fall 2018	
Create a Down Payment Assistance Program pilot to assist Prince Edward Islanders with modest incomes who pre-qualify for an insured mortgage to purchase their first home. Eligible participants can apply to receive an interest-free repayable loan of up to five per cent of the purchase price of a home.	Finance PEI     Department of Finance	• Fall 2018	
Examine supports to affordable home ownership and first-time home buyers.	<ul><li> Housing Hub</li><li> Finance</li><li> Community Groups</li></ul>	• 2019-2023	
Complete annual reviews of social assistance shelter ceiling levels to help Islanders requiring assistance with the cost of living.	Family and Human     Services	<ul> <li>June 1, 2018 - \$500,000 investment in shelter rates</li> <li>2019-2023</li> </ul>	
Include affordable housing as part of municipal planning requirements.	<ul><li>Provincial Government</li><li>Municipalities</li><li>Communities, Land and Environment</li></ul>	• 2019-2023	
GOAL #3: SUSTAINABLE COMMUNITIES			
Action Items	Proposed Partner Groups	Implementation Timing	
Create a Senior Advisor for Housing and Infrastructure to lead Housing Hub.	Provincial Government	• Summer 2018	
Create a Housing Navigator to enable Islanders to access appropriate services and supports.	<ul><li> Housing Council</li><li> Housing Hub</li><li> Community Groups</li></ul>	• Fall 2018	
Create a Tenant Outreach Worker to support social housing tenants to achieve successful housing placements and to access available services and supports.	Family and Human     Services	• Fall 2018	

Action Items	Proposed Partner Groups	Implementation Timing
Optimize access to the Seniors Independence Initiative, Seniors Home Repair Program and Seniors Safe at Home Program to ensure maximum opportunity for Island seniors to remain in their homes and communities.	Family and Human Services	• Winter 2019
Enhance government's home renovation programs to improve the quality of private and rental housing stock to ensure suitable and appropriate housing for low income Islanders.	<ul> <li>Family and Human Services</li> <li>Transportation, Infrastructure and Energy</li> </ul>	• Winter 2019
Incentivise energy efficient housing development to enhance housing affordability and sustainability	Transportation, Infrastructure and Energy Family and Human Services	• In progress
Examine emergency housing options for people in housing crisis to support vulnerable populations.	<ul><li>Community Groups</li><li>Housing Hub</li></ul>	• 2019-2023
Through the Housing Hub, research and identify rural- specific affordable housing challenges and solutions.	Provincial Government	• 2019-2023
Examine implementation of National Building Code to ensure appropriate and suitable housing.	<ul><li> Provincial Government</li><li> Municipalities</li></ul>	• 2019-2023
Explore mandating new affordable housing units to be built to a to-be-defined energy efficient standard.	<ul><li>Provincial Government</li><li>Municipalities</li></ul>	• 2019-2023
Develop regulations to ensure landlords are providing increased 'basic' standards of living for safe housing.	Provincial Government     Municipal governments	• 2019-2023
Ensure that the Provincial Land Use Policy is informed to support mixed community development and affordability goals including provincial minimum standards and design guidelines to address the built environment, such as inclusionary zoning, density bonus provisions and support for expedited processes that include affordable housing.	Communities, Land and     Environment	• 2019-2023
Work with partners to ensure that affordable housing development includes community design and planning for walk-ability, biking, and access to services.	<ul><li> Municipalities</li><li> Community Groups</li><li> Developers</li></ul>	• 2019-2023
Promote and encourage diverse housing communities with mixed market rentals, retail space, mixed income residents and residents with differing abilities and needs.	<ul><li>Provincial Government</li><li>Federal Government</li><li>Municipalities</li><li>Community Groups</li><li>Developers</li></ul>	• 2019-2023

GOAL #4: CO-ORDINATION AND COLLABORATION				
Action Items	Proposed Partner Groups	Implementation Timing		
Through Housing Hub, identify opportunities to address construction-related labour market shortfalls to ensure the availability of qualified trades to build needed housing.	<ul> <li>Employment         Development Agency</li> <li>Workforce and Advanced         Learning</li> <li>Office of Immigration</li> <li>Holland College</li> <li>Skills PEI</li> </ul>	• Fall 2018		
Through Housing Hub, continue to identify point in time need for specialized housing and support services and increase availability based on need.	<ul><li>Community Groups</li><li>Provincial Government</li><li>Federal Government</li></ul>	• 2019-2023		
Expand the housing navigator function to include the development and management of a coordinated process to identify those needing affordable housing.	Community Groups     Provincial Government	• 2019-2023		
Expand the housing navigator function to include the development and management of a centralized online registry of available safe and appropriate rental properties and resources.	Community Groups     Provincial Government	• 2019-2023		
Collaborate and partner with First Nations and Indigenous groups to address affordable housing needs.	Community Groups     Provincial Government	• 2019-2023		
GOAL #5: LE	GOAL #5: LEADERSHIP			
Action Items	Proposed Partner Groups	Implementation Timing		
Establish a Cabinet Committee to lead: government's approach to housing across the province; the development and supply of affordable housing; and housing market development, analysis and innovation.	<ul> <li>Provincial Government:</li> <li>Finance</li> <li>Family and Human Services</li> <li>Transportation, Infrastructure and Energy</li> <li>Communities, Land and Environment</li> </ul>	• Summer 2018		
<ul> <li>Establish a multi-sectoral Housing Council to:</li> <li>Respond to direction from, and provide advice to, the Cabinet Committee on Housing.</li> <li>Oversee implementation of the Housing Action Plan;</li> <li>Administer the Community Housing Fund;</li> <li>Ensure plan alignment with the National Housing Strategy; and</li> <li>Ensure plan alignment with the Homelessness Partnering Strategy.</li> </ul>	<ul> <li>Provincial Government</li> <li>Community Groups</li> <li>Municipalities</li> <li>Developers</li> <li>Federal Government</li> </ul>	• Fall 2018		

Action Items	Proposed Partner Groups	Implementation Timing
<ul> <li>Develop a collaborative Housing Hub to:</li> <li>Respond to direction from, and provide support to, the Housing Council;</li> <li>Implement the Housing Action Plan;</li> <li>Function as an affordable housing centre of excellence;</li> <li>Enable collaborative affordable housing innovation through education, research and partnerships to leverage available resources and funding; and</li> <li>Support and provide advice to affordable housing partners.</li> </ul>	<ul> <li>Provincial Government</li> <li>Community Groups</li> <li>Federal Government</li> <li>Municipalities</li> <li>Developers</li> </ul>	• Fall 2018
Develop an evaluation and public reporting framework for the Housing Action Plan to ensure accountability to Islanders.	Provincial Government     Community Groups	• Winter 2019
Through Housing Hub, enhance research capacity to identify and address affordable housing information gaps and enable evidence-based affordable housing solutions.	Community Groups     All levels of Government	• Winter 2019
Create and conduct housing tenant satisfaction surveys to identify and respond to needs.	<ul> <li>Family and Human Services</li> <li>Access PEI</li> <li>Communications and Public Engagement PEI</li> </ul>	• 2019-2023
Address data sharing barriers and develop data sharing relationships with community groups (such as newcomer assistance, non-profits) to support understanding of point in time need and available resources.	Community Groups     Provincial Government	• 2019-2023
Expand data currently available through government's open data portal available to support transparency and accountability (including providing the meta-data for any information made publicly).	Provincial Government	• 2019-2023



## **LEADERSHIP**

A key aspect of successfully implementing this plan is ensuring there is strong leadership. Only through an effective and continuing monitoring and reporting structure can we ensure that the intended impacts of the plan are achieved. A proposed leadership structure is depicted below.

#### **Cabinet Committee on Housing**

- Minister of Finance (Chair)
- · Minister of Family and Human Services
- Minister of Communities, Land and Environment
- Minister of Transportation, Infrastructure and Energy

Community Partners

Sector &

**Industry** 

**Partners** 

#### **Housing Council**

- Implement Housing Action Pan
- Support to Cabinet Committee
- Administer Community Housing Fund
- Oversight and direction to Housing Hub

Housing Hub

- Support to Housing Council
- Support implementation of Housing Action Plan
- Point in time need
- · Market analysis and trends
- · Best practice and research
- Advice and support to partners
- Identify and leverage funding opportunities

Government
Departments
& Agencies

**Municipalities** 

Lived Experience

Experience

### **CONCLUSION**

## Safe, appropriate and affordable housing is a basic need for individuals and families to be successful and productive.

This Plan is the result of nine months of extensive research, as well as collaborative discussions and engagement with clients, community service providers, municipalities, government departments and agencies, private sector developers and Islanders who were co-developers of the Plan.



We need collaboration,
partnerships, and
coordination amongst
all levels of government,
community organizations
and private sector
developers.

With current vacancy rates, market forces, and housing and demographic trends, Islanders are challenged to find appropriate, affordable housing. While the housing market consistently evolves in response to supply and demand drivers, at present, we are in a period of particularly dynamic change. Our most vulnerable populations are most at risk.

The need for appropriate, affordable, and suitable housing is a complex challenge, requiring a shared approach. No one sector can solve the challenges on its own. This Plan is the result of nine months of extensive research, as well as collaborative discussions and engagement with clients, community service providers, municipalities, government departments and agencies, private sector developers and Islanders who were co-developers of the Plan.

To successfully address affordable housing needs, solutions must be built on partnerships and best practices. Strong leadership, accountability, monitoring, reporting, and evaluation are key for successful implementation of the Plan.

#### The Government of Prince Edward Island has committed to:

- create 1,000 new affordable units over the next four years, including 275 units this year;
- support the development of capacity along the housing continuum to enable housing providers to create affordable housing;
- create a collaborative leadership structure to support plan implementation, monitoring, and evaluation, including processes to determine current and future housing needs and solutions.

Safe, appropriate and affordable housing is a basic need for individuals and families to be successful and productive. The current challenges provide us with an opportunity - an opportunity to rethink how we collaborate and engage with all sectors to ensure affordable housing. It is not just about buildings; safe and appropriate housing contributes to personal well being, economic strength, population growth and vibrant, prosperous communities.

### Affordable housing for all Islanders



# The Mighty Island

We are a small place, but we make big things happen.

This action plan is meant to benefit Islanders; it is now up to all of us to provide timely access to safe, accessible, appropriate, and affordable housing.

Prince Edward Island.ca/housing-action-plan

