



Municipality of the District of Argyle

Item: Application request–  
Research Knowledge initiative

Date: Jan 24, 2024

## *Our Vision*

*Argyle is the community of choice to invest, live and play.*

## *Our Identity*

*Argyle invests time & talent in growth opportunities in fishing, tourism, and renewable energy sectors.*

*Argyle provides affordable taxation while providing safe and **livable** communities and strives to engage and inform our residents on decisions that affect them most.*

*Argyle provides high class, accessible recreational and cultural facilities for health and for **play**.*

### **Background:**

Council has been provided with multiple sources of data regarding the housing challenges that Nova Scotians face or will be facing. At a previous council meeting, we discussed the provincial report highlighting the potential housing shortfall that Argyle may experience in the coming 5-10 years. Our housing supply is unlikely to meet the demand for growth and attainable housing needs.

The number is alarming for a small rural municipality. The report indicated a need for 220 units by 2032. That is in 8 years. While the number is likely overstated, a conservative view may place the number at 70% of this figure, or 154 units. Truth is no one really knows the number, as there are several variables, including immigration, migration, sector employment growth, death, births, seniors seeking alternative housing.... A conservative guess would be that 20 additional units would have to be constructed per year over the next 8 years.

Based on our construction history, and existing supply of contractors to do the work, 20 new home constructions per year are not likely. Market values and prices of construction and borrowing will slow new construction of residential homes. The clear solution here is to focus on a sharp increase in the rental stock and low-cost housing options to meet this goal. The Municipality finds itself in a situation where a new service delivery is required to focus on housing growth. A housing service does not exist currently in our service delivery model.

The Municipality can only dabble in the housing issue now, without risking decreased service delivery in other areas. Three departments would be negatively affected by shifting gears onto housing initiatives – namely the Office of the CAO, Protective Services and Operational Services. Those same three departments have aggressive targets to meet in training and capital projects. It would be unwise to impart this work on the team leaders in those areas. The housing issue has long been established as an important initiative to lean into, and highlighted in our strategic plan as essential in supporting livable and safe communities, finding alternative housing options for seniors, and overall growth in our community.

### **Changing environment:**

The Municipality will benefit from an elimination of two major expenditures this fiscal year, specifically corrections and housing. Total expense avoidance will be \$115,000 and \$50,000 respectively. We will no longer be responsible for these costs each year. The combination of cost avoidance and a direct need for housing investment, the two items align well when considering taxpayer investment and costs.

Through our investigations, we found a number of funding options that could aid us accelerate the required work on attracting investors to this region for housing development. Specifically, the Research Knowledge Initiative, due February 8<sup>th</sup>, is one such initiative, and seems to fit our preliminary objectives. Under normal circumstances, we would apply for the funding independent of any major decision of council, but in this case, the minimum size for an application is \$200,000 per project, and we would require an investment of in kind or cash in order to qualify for funding. Our contribution would be a moderate, not a small amount.

### **Suggested approach:**

We suggest that we submit an application for the Research Knowledge Initiative, which will be done mostly internally, through the CAO and assistance from the Directors of Operations and Protection. Colliers may be engaged to increase our chances of being selected, and have already been approached to see if they would assist. They will, and have provided us with information as to how they can assist. The advantage of using experts in the field have been proven numerous times in previous applications. Our approach would be to target their time and fee towards the most important section of the application, which is the alignment to the goals of the funding.

Housing has many other funding options available out there as it is a National issue, that both levels of government have committed funding to aid local communities address the issue.

Our approach shall be action oriented, with some data collection. We are already in receipt of the Provincial Housing report, and we would require additional demographic and other data mined by Statistics Canada. We propose that we hire Colliers to lead that. The second component is local execution, which would look approximately as follows:

- Establish interested parties to housing growth, including but not limited to migrants, seniors, youth, low income, immigrants, professionals etc.
- Establish inventory of available and developable land, create strategy for locations suitable for development, both by housing developers and the provincial government.
- Establish relationships with our Provincial experts in housing, determine available incentives for developers constructing new rental units.
- Through Operational Services, establish available services (ie roads, sewer, power) that would benefit development, consider additional incentives within the MGA that would assist investors to choose Argyle.
- Seek and apply for additional housing funds if required or if the opportunity arises.
- Navigate developers through the provincial system should they desire access to funding for affordable housing or other.
- Consider Public Private Partnerships that would further entice local and external investors to add rental units in the area.
- Consider list of housing options outside of rentals that would be attainable for our interested parties.

As you can see, the on the ground work is not one that works well to add to existing staff responsibilities. Which is why we propose a term contract, part time, for a suitable candidate to lead this work and get results. Our alternative is to do little, which will extend the issue further. As is the case with many issues in 2024, they arrive quickly, and often. The successful candidate would have to have high credentials, and the position is likely 2-3 days a week in the beginning.

The Research Knowledge Initiative is a 10 million dollar grant for the Nation. This does not leave a lot of money for NS, so we are realistic in our chances. The advantage of applying is that the Province will be made aware of our plan, and may have supplemental funding to aid us. At this point, from a budgetary perspective, we cannot assume any third party contribution, so it assumes the worst case scenario (100% cost of Argyle).

### **MGA Considerations**

Housing is a strategic priority for Council, and is an eligible cost under Section 65. Furthermore, the applicant for funding must be non-profit, and includes municipal governments as a qualified applicant.

### **Recommendation:**

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Recommend we submit an application to the Research Knowledge Initiative, a Federal program, and copy the Province of NS indicating our intentions.

In the meantime, the CAO desires Council to create a new position, titled Housing Coordinator (or similar title) part time, for a 3 year term. This position would be assessed no later than one year from hire to ensure the effectiveness of the position. There would be no tax rate impact to the residents. The estimated annual cost for this position is approximately \$47,000 plus benefits and other costs. This position would be budgeted in 2024-25 budget regardless of the funding, as it is a priority

**Suggested motion:**

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