

TO: Mayor Savage and Members of Halifax Regional Council

Original Signed by 

SUBMITTED BY: _____
Jacques Dubé, Chief Administrative Officer

DATE: October 1, 2019

SUBJECT: **Incentive or bonus Zoning for 6009 and 6017 Quinpool Road, Halifax**

ORIGIN

A request made by Armco Capital Inc.

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter (HRM Charter), Part VIII, Planning & Development.

Halifax Municipal Planning Strategy, policy 2.10.2:

The maximum achievable building height of 78 metres may only be achieved through incentive or bonus zoning as set out in the land use by-law. The maximum pre-bonus height is 62 metres.

Subject to the provisions of the land use by-law, a bonus in height of no greater than 16 metres may be provided in exchange a contribution of community amenities.

Any development over 62 metres shall only be considered if:

- (a) the property owner provides a contribution in the form of:
 - (i) ten affordable housing and all electric and utility wires adjacent to the development be buried underground along Quinpool Road and Robie Street; or
 - (ii) twenty affordable housing units; or
 - (iii) Council accepts money in lieu of the contribution of an equivalent value for affordable housing units; and
- (b) an incentive or bonus zoning agreement is entered into, as set out in the land use by-law.

Halifax Peninsula Land Use By-law.

3A No development permit shall be issued for any development at 6009-6017 Quinpool Road for a development exceeding 62 meters in height unless:

... (b) the Municipality has received the full amount of the money accepted in lieu of a contribution of affordable housing dwelling units.

98C (1) Council may, by development agreement, pursuant to Policies 2.10 through 2.10.4 of Section XII of the Halifax Municipal Planning Strategy, permit a mixed use, multiple-unit residential and commercial development, providing the following conditions are satisfied:

- (b) if the development exceeds 62 meters in height, the applicant shall provide a public benefit in the form of:
- (i) ten affordable housing dwelling units and the undergrounding of all electrical and utility wires adjacent to the development along both the Quinpool Road and Robie Street elevations; or
 - (ii) twenty affordable housing dwelling units; or
 - (iii) ten affordable housing dwelling units and \$900,000 as the contribution for the additional ten affordable dwelling units; or
 - (iv) money in lieu of a contribution of twenty affordable housing dwelling units as the contribution for incentive or bonus zoning in the amount of \$1,800,000;

(2) Council may accept money in the amount of \$900,000 if ten affordable housing dwelling units is provided or \$1,800,000 if no affordable housing dwelling units are provided in lieu of the contribution of affordable housing dwelling units.

(3) Subject to 98D (1)(e), unless Council decides otherwise, the Municipality shall not accept money in lieu of the contribution of affordable housing dwelling units.

(4) Money accepted in lieu of a contribution of affordable housing dwelling units shall be used for the purpose of affordable housing in the Municipality.

RECOMMENDATION

It is recommended that Halifax Regional Council approve the acceptance of \$1,800,000 as money in lieu of the contribution of twenty affordable housing dwelling units as the post-bonus contribution (public benefit) for the proposed development at 6009 and 6017 Quinpool Road, Halifax.

BACKGROUND

On June 19, 2018 Regional Council approved amendments to the Halifax Municipal Planning Strategy (MPS) and Halifax Peninsula Land Use By-law (LUB) to enable, by development agreement, a 62-metre-tall mixed-use building on the corner of Robie Street and Quinpool Road. The approved MPS policy and LUB amendments also allowed additional height subject to the owner providing a public benefit. Various public benefit options were approved by Council and are set out in the MPS and LUB.

The applicant, Armco Capital Inc., has considered the viability of all approved public benefit options under the MPS and LUB and has determined that money in lieu is the most practical option. Accordingly, the applicant has requested that Regional Council accept \$1,800,000 as the public benefit contribution for incentive or bonus zoning.

Regional Council's approval of this proposed public benefit is required by the LUB to allow the project to proceed on this basis.

DISCUSSION

Policies 2.10 - 2.10.4 of Section XII of the Halifax MPS are site specific polices adopted by Regional Council in 2018 that allow Community Council to consider, by development agreement, a mixed used development at the site. The enabling policies of the MPS are prescriptive in terms of massing, form, and height. The maximum pre-bonus height is 62 metres, however, a maximum building height of 78 metres may be permitted through incentive or bonus zoning.

Clause 98C(1)(b) of the LUB sets out the following four options for public benefit contributions associated with additional height beyond the pre-bonus 62 metre maximum:

- 1) ten affordable housing dwelling units and the undergrounding of all electrical and utility wires adjacent to the development along both the Quinpool Road and Robie Street elevations; or
- 2) twenty affordable housing dwelling units; or
- 3) ten affordable housing dwelling units and \$900,000 as the contribution for the additional ten affordable dwelling units; or
- 4) money in lieu of a contribution of twenty affordable housing dwelling units as the contribution for incentive or bonus zoning in the amount of \$1,800,000;

The applicant has actively explored all the approved options noted above and has concluded that the inherent costs, logistics and timelines render options 1 through 3 impractical while option 4 provides the desired public benefit in a manner that is aligned with the incentive or bonus zoning approach (density bonusing) recently approved through the Regional Centre Secondary Municipal Planning Strategy and Land Use By-law (Centre Plan).

Although money in lieu is an option afforded to the applicant through Policy 2.10.2 of the MPS, Subsection 98C(3) of the LUB states the following:

(3) Subject to 98D (1)(e), unless Council decides otherwise, the Municipality shall not accept money in lieu of the contribution of affordable housing dwelling units.

Accordingly, Regional Council approval is required to accept money in lieu of affordable housing dwelling units or undergrounding of services before Community Council can consider the proposed development agreement.

If Regional Council accepts money in lieu, the proposed development agreement will require that the \$1,800,000 be received by the Municipality prior to a development permit being issued. Consideration of the proposed development agreement will follow at the first available Halifax and West Community Council meeting.

FINANCIAL IMPLICATIONS

The proposed density bonusing and public benefit contribution will financially support the municipality's objectives with respect affordable housing. While a program for dispensation of funds collected for this purpose has not yet been finalized, securing the funds is within HRM's authority. The establishment of this funding source in the manner proposed provides the municipality with options to respond to affordable housing challenges.

The funds will be deposited in Q421 – General Contingency Reserve and will be available once council finalizes how these types of revenues should be utilized.

RISK CONSIDERATION

There are no significant risks associated with the recommendations contained within this report. This request may be considered under existing MPS policies. The acceptance of money in lieu is at the discretion of Regional Council and is not subject to appeal to the N.S. Utility and Review Board.

COMMUNITY ENGAGEMENT

Community engagement was achieved under municipal Case 18966, the MPS and LUB amendments

approved in 2018 and again under Case 22029, which is the development agreement application currently within the planning application process.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications associated with this report.

ALTERNATIVES

Halifax Regional Council could:

1. Refuse to accept money in lieu of the contribution of an equivalent value (\$1,800,000) for twenty affordable dwelling units and require the applicant to choose an alternative bonus zoning option, as outlined in the MPS and LUB, or construct a 62-metre building with no incentive or bonus zoning (pre-bonus height).

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

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