

**TO:** Mayor Savage and Members of Halifax Regional Council

**SUBMITTED BY:** Original Signed  
Kelly Denty, Director of Planning and Development

Original Signed by   
Jacques Dubé, Chief Administrative Officer

**DATE:** August 25, 2020

**SUBJECT:** **Incentive or Bonus Zoning Reserve; Administrative Order 2020-007-ADM-ADM, Respecting Incentive or Bonus Zoning Public Benefit; and Administrative Order 2020-008-ADM, Respecting Grants for Affordable Housing**

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## **ORIGIN**

On September 18, 2019, Item No. 12.1, item 19, Halifax Regional Council approved the following motion:

19. Direct the Chief Administrative Officer to develop a business case for a Regional Centre Incentive or Bonus Zoning Reserve, and an Administrative Order to direct future spending from the reserve within the Regional Centre and return to Council for consideration;

## **LEGISLATIVE AUTHORITY**

- *Halifax Regional Municipality Charter (HRM Charter)*
  - 59 (3) In addition to matters specified in this Act or another Act of the Legislature, the Council may adopt policies on any matter that the Council considers conducive to the effective management of the Municipality.
  - 120 (1) The Municipality shall maintain a capital reserve fund.
  - (6) The Municipality may maintain other reserve funds for such purposes as the Council may determine.
- *Administrative Order 2014-015-ADM Respecting Reserve Funding Strategies*
- *Regional Centre Land Use By-law, Part XII: Incentive or Bonus Zoning*

## **RECOMMENDATION**

It is recommended that Halifax Regional Council suspend the rules of procedure under Schedule 2, the Audit and Finance Standing Committee Terms of Reference, of Administrative Order One, the *Procedures of the Council Administrative Order* and

1. Approve the creation of the *Incentive or Bonus Zoning Reserve* based on the business case, as set out in Attachment A of this report;
2. Adopt Administrative Order 2020-007-ADM, *Respecting Incentive or Bonus Zoning Public Benefits*, as set out in Attachment B of this report; and
3. Adopt Administrative Order 2020-008-ADM, *Respecting Grants for Affordable Housing*, as set out in Attachment C.

## **BACKGROUND**

On September 18, 2019, Regional Council approved the Regional Centre Secondary Municipal Planning Strategy (SMPS) and the Regional Centre Land Use By-law (LUB), which will regulate land use and development for lands within the Package A area of the Regional Centre. This includes enabling policies and regulations for incentive or bonus zoning, including provisions for money-in-lieu.

Incentive or bonus zoning is a planning tool enabled by the *HRM Charter* that allows the Municipality to require developments to provide public benefits in exchange for greater development rights. The intent of this tool is to supplement other municipal investments so that the density enabled under the Centre Plan is accompanied by the amenities and public benefits that support complete and inclusive communities. The Centre Plan planning documents approved by Council enable the following public benefits to be accepted:

- affordable housing;
- heritage conservation;
- public art;
- improvements to municipal parks;
- affordable community cultural indoor spaces; and
- such other public benefits that may be set out in the Land Use By-law.

Based on the policies and regulations of the Centre Plan and Old South Heritage Conservation District, on-site public benefits may only be accepted for:

- on-site heritage conservation, which may use up to 90% of the required public benefit and 100% in Old South Heritage Conservation District; and
- on-site public art that has a value of \$100,000 or more, which may use up to 40% of the required public benefit.

These on-site public benefits must be accompanied by an incentive or bonus zoning agreement that is approved by the Development Officer and includes terms respecting the design and appraisal of the on-site public benefit, among other items. Any public benefit must conform with the policies and regulations of the Centre Plan and be considered acceptable to the Development Officer.

Where money-in-lieu is provided, the majority of public benefit value must be dedicated to affordable housing (minimum of 60%), except for the Old South Heritage Conservation District where only money-in-lieu for heritage conservation may be accepted. Outside of the Old South Heritage Conservation District, the remaining 40% must be either directed to affordable housing, or one or more of the four other public benefit categories. While developers can decide which category of public benefit to direct this 40% of money-in-lieu funds, developers are not able to direct funds to specific projects. Once money-in-lieu funds are collected, the Municipality has sole discretion on the use of the funds provided it is used for the purpose

for which the money was accepted. For example, money directed to public art cannot be used to improve municipal parks.

In addition to the Centre Plan requirements, the Halifax Municipal Planning Strategy and the Halifax Peninsula Land Use By-law include provisions for money-in-lieu for affordable housing for the Willow Tree development. As the *HRM Charter* now also enables the incentive or bonus zoning tool to be used throughout the Municipality, amendments to the Regional Plan or community plans would allow additional money-in-lieu to be accepted in the future for developments located outside of the Regional Centre.

As part of the adoption process of the Centre Plan (Package A), Council directed the CAO to develop a business case for the creation of an incentive or bonus reserve and an administrative order to direct future spending from the reserve. This report presents for Regional Council consideration of the business case for the reserve and the related administrative orders.

Consistent with the direction contained in the Affordable Housing Work Plan, this report also proposes a new affordable housing grant program to enable the money-in-lieu collected for affordable housing to be used to support the development and retention of affordable housing units. The Affordable Housing Work Plan<sup>1</sup> was approved by Council on July 31, 2018 and provides direction to establish an incentive or bonus zoning program to support the Housing and Homelessness Partnership's five-year affordable housing targets of creating 3,000 new affordable homes and preserving 2,000 existing affordable homes.

## **DISCUSSION**

In order to carry out the policies of the Centre Plan Package A planning documents, an incentive or bonus zoning reserve and associated administrative order is needed to hold and guide the use of money-in-lieu funds. The following sections discuss the reserve business case, and related incentive or bonus zoning administrative order. In addition, while money-in-lieu funds are primarily directed through existing municipal programs, given the emphasis on supporting affordable housing, a new municipally-run affordable housing incentive grant program is also proposed.

### **Incentive or Bonus Zoning Reserve Business Case**

It is proposed that a Contingency Funds for Opportunities Reserve be established to administer the incentive or bonus zoning funds. The purpose of the Reserve is to facilitate the implementation of the incentive or bonus zoning policies as contained in the Regional Centre Municipal Planning Strategy (Plan) and Land Use By-law, and other applicable municipal planning strategies and land use by-laws. The business case for the Reserve is contained in Attachment A.

Sources of funds will include:

- a) incentive or bonus zoning money-in-lieu payments as required by the applicable land use by-laws;
- b) amounts transferred to the fund as approved by Council; and
- c) interest accumulated in accordance with the Corporate Guidelines respecting Reserves.

The expenditures of funds will be in accordance with the *HRM Charter*, applicable land use by-laws, and any applicable Administrative Order approved by Council, and will be monitored by the Director of Finance.

It is proposed that a minimum balance of \$1 be maintained in the reserve to allow funds under the five public benefit categories to be used up in any given fiscal year, and a maximum balance of \$20M to allow funds to accumulate and potentially support large projects. Contributions and withdrawals for each of the public benefits will be tracked through both development permits, and withdrawals from the Reserve. Council will be provided with an annual report on Reserve activity and balances.

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<sup>1</sup> See report online at <https://www.halifax.ca/sites/default/files/documents/city-hall/regional-council/180731rc1423.pdf>

**Incentive or Bonus Zoning Grants Administrative Order**

The proposed Incentive or Bonus Zoning Administrative Order (IBZAO) contained in Attachment B is intended to guide the expenditure of funds held in the Incentive or Bonus Zoning Reserve. The IBZAO is consistent with the requirements of the *HRM Charter* and applicable LUBs and is summarized in Table 1, below. As the incentive or bonus zoning requirements currently only apply within the Regional Centre, the IBZAO directs funds to programs and project that serve residents of the Regional Centre. Should Council decide to amend the Regional Plan or community plans to enable incentive or bonus zoning requirements outside of the Regional Centre in the future, amendments to the IBZAO would to be needed to enable funds to be used for initiatives that serve residents throughout the Municipality.

**Table 1: Incentive or bonus zoning categories and permitted expenditures**

Category	Expenditures Permitted by the proposed AO
Affordable Housing	<ul style="list-style-type: none"> <li>• Municipal affordable housing incentive grant program; or</li> <li>• contributions to the Government of Canada, Government of Nova Scotia, or a non-profit group to support the rehabilitation or construction of affordable housing.</li> </ul>
Heritage Conservation	<ul style="list-style-type: none"> <li>• enhancing the regularly budgeted funds allocated to the Heritage Incentive Program; or</li> <li>• conserving Municipally owned registered heritage properties; or</li> <li>• acquiring Municipally owned registered heritage properties.</li> </ul>
Parkland	<ul style="list-style-type: none"> <li>• improving Municipal parkland located within the Regional Centre; or</li> <li>• improving Regional Parks, which may be located outside of the Regional Centre.</li> </ul>
Affordable community or cultural indoor space	<ul style="list-style-type: none"> <li>• grants to not-profit organization or registered Canadian charitable organization to construct or rehabilitate facilities used for community and cultural purposes such as offices, meeting rooms, recreational facilities, educational facilities, art and cultural spaces, daycare uses, and other social services; or</li> <li>• the construction or rehabilitation of Municipal facilities used for community and cultural purposes such as offices, meeting rooms, recreational facilities, educational facilities, art and cultural spaces, daycare uses, and other social services.</li> </ul>
Public Art	<ul style="list-style-type: none"> <li>• public works of art that are commissioned and maintained by the Municipality in accordance with Municipal public art policy.</li> </ul>

**Affordable Housing Grant Program**

To support the development of affordable housing, staff recommend that Council establish a new Grants for Affordable Housing Administrative Order (affordable housing AO) as set out in Attachment C. While the IBZAO outlines what kind of projects can be funded through density bonus funds, the affordable housing AO provides more detailed guidance regarding how money-in-lieu collected for affordable housing will be awarded. Pursuant to the requirements of the Regional Centre SMPS and LUB, the grant program will support the rehabilitation and construction of affordable housing units within the Regional Centre. The proposed grant program is broad in nature to enable larger projects to leverage federal and provincial funding while also still supporting smaller projects that would be ineligible for such funding. The program allows for funding for projects solely undertaken by a non-profit or registered charity, as well as partnerships between private developers and non-profits.

Application requirements are intended to be minimal to reduce barriers to potential applicants. The affordable housing AO includes the *HRM Charter's* definition for affordable housing which is broad in nature and encompasses housing that meets the needs of those with low to moderate incomes. While federal and provincial grant programs will include different criteria surrounding affordability depending on the program, a broad municipal definition ensures this grant is more likely stackable with funding from other levels of

government. The proposed grant program will prioritize several themes including environmental sustainability, organizational capacity, addressing deep affordability and financial capacity, including financing from CMHC or the province of Nova Scotia.

The proposed grant program focuses on supporting non-profits or registered charities, as the *HRM Charter* does not permit the Municipality to provide a grant or other form of direct financial assistance to a business or industry. While private businesses develop the vast majority of new housing in the Municipality and play an essential role in meeting housing demand, the proposed grant program directs municipal funding to non-profit housing providers, who are in greater need of financial support and generally focus on addressing deep affordability issues. Still, the proposed grant program does encourage partnerships between private developers and non-profit housing providers in situations involving co-ownership. Funding to private development that results in affordable housing may also be considered separate from the proposed grant program through a housing agreement with other levels of government as outlined in AO 2020-007-ADM. The proposed grant program may be refined as the Municipality further defines its role as a funder for affordable housing projects and better understands how municipal contributions can best complement existing funding through CMHC and the Province.

While staff recommend establishing a new grant program for affordable housing, there is merit in having the ability to contribute to other levels of government or community-initiated funding programs. Collaborating with other funding programs can result in a more impactful grant program and may allow a more agile form of funding. The Housing and Homeless Partnership, for example, is exploring the opportunity to establish a Community Housing Investment Trust (CHIT). The CHIT would be administered by the Community Foundation of Nova Scotia and would have the ability to pool funds from multiple government and private sources. Consequently, the IBZAO (Attachment B) allows for contribution agreements between the Municipality and the Government of Canada, Government of Nova Scotia, or a non-profit group to support the rehabilitation or construction of affordable housing.

### **Heritage Conservation**

The Municipality currently budgets \$300,000.00 per year to encourage the conservation of privately-owned, municipally registered heritage properties through Municipality's Heritage Incentive program. Bonus zoning money-in-lieu funds will be used to enhance these grant programs and potentially enable a greater number of projects to receive financial support from the Municipality.

### **Parkland**

The Municipality regularly develops parkland through the business planning cycle and park master planning processes. To support the recreation needs of residents of the Regional Centre, the bonus zoning money-in-lieu funds will enhance the funds available for parkland improvements and may enable projects planned in future years to be advanced earlier than originally anticipated. As set out in the Regional Centre SMPS, parkland priorities for the Regional Centre will be guided by an Open Space Plan for the Regional Centre that supports the direction of the Halifax Green Network Plan. In addition, given that large regional parks in other areas of the Municipality also serve residents of the Regional Centre, bonus zoning funds may also be used to support improvements to municipally owned regional parkland.

### **Affordable Community or Cultural Indoor Space**

The Municipality currently supports affordable community or cultural indoor space through:

- municipally owned and maintained spaces, such as community centres and multi-purpose rooms;
- tax relief, under the Municipal tax relief program;
- grants for capital projects to non-profit groups of up to \$25,000.00 through the Community Grants program; and
- one time grants to special projects, such as the Cultural Link Performing Arts Centre.

In the short term, funds collected through the bonus zoning program will be used to supplement the funds available to support municipally led projects. These funds will also be available to support municipal contributions to large cultural/community projects that are considered by Council from time to time outside of the scope of the Community Grants program. Further direction concerning the Municipality's role and goals for cultural spaces, including a potential new grant program for large projects, is being advanced

through the Sharing Our Stories project and the related Cultural Spaces Plan.

### **Public Art**

The Municipality develops and maintains public art in various locations through the Regional Centre, often in association with public buildings and parkland. Bonus zoning money- in-lieu funds dedicated to public art will be available to enhance the funds available for public art in the Regional Centre consistent with municipal public art policies.

### **Updates to Regional Centre LUB**

The Regional Centre LUB contains detailed provisions that establish incentive or bonus zoning requirements and the acceptance and use of money-in-lieu. In developing policies to guide the use of money-in-lieu funds, staff have identified several updates to LUB provisions to provide greater flexibility for the use of collected funds. These proposed updates, which are being incorporated into the draft Centre Plan Package B materials, include the following revisions.

Affordable housing: revisions to anticipate the expansion of bonus zoning requirements throughout the Municipality and to enable funds to be used for building assessments and the acquisition of buildings, units or property. Consideration will also be given to enabling developments by non-profits for affordable housing to defer monetary density bonus contributions to a later stage in the building process. An amendment to the *HRM Charter* is necessary to allow the Municipality to accept security for the bonus amount or make the amount owed under the bonus a lien and collectable as if it were taxes owed.

Heritage Conservation: revisions to enable funds to be used to enhance heritage conservation district grant programs, in addition to the heritage property incentive program.

Parkland: revisions to enable funds to be used for parkland acquisitions, in addition to improvements to existing parkland; and

Affordable Community and Cultural spaces: revisions to the definition to clarify that the term includes performing, rehearsal and exhibition space.

### **Conclusion**

The Centre Plan planning documents enable the Municipality to collect money-in-lieu through the bonus zoning LUB requirements to supplement other municipal investments so that the density enabled under the Centre Plan is accompanied by the amenities that support complete and inclusive communities. The proposed Incentive or Bonus Zoning Reserve and related administrative order establish the mechanisms to hold, track and guide the use of money-in-lieu bonus zoning funds, consistent with the *HRM Charter*, Regional Centre LUB and existing Municipal programs. Given the emphasis on supporting affordable housing, staff also recommend that Council establish a new affordable housing incentives grant program to enable the Municipality to distribute affordable housing funds to eligible projects.

### **FINANCIAL IMPLICATIONS**

The sources of funds in the proposed Reserve will be based on newly approved policies and will depend on a number of factors related to the development environment in the Regional Centre. The initial cash flow projections are estimated to be \$2.1 M in the first year and on average \$1.1M per year in the first seven years. They can be expected to double in the following years. The cash-flow contained in the business case will be updated within 12 months once more accurate development permit data is available. At the writing of this report, no money-in-lieu funds have been collected.

The affordable housing incentive grant program is proposed to start accepting applications in the 2021/22 fiscal year to ensure there are sufficient funds in the bonus zoning reserve to support the new grant program. Additional staff resources may be needed to manage and administer the new grant program,

through the creation of a new position or the reallocation of existing staff. Impacts to staff resource levels will be considered as part of the 2021/22 budget process.

### **RISK CONSIDERATION**

There are no significant risks associated with establishing an Incentive or Bonus Zone Reserve and associated administrative order as there are robust policies associated with the management of capital reserves. Finance staff will monitor the Reserve and report back to Council on a regular basis to ensure an effective management of the Reserve.

There are risks with establishing an Affordable Housing Incentives Grant Program prior to considering staff level requirements through future budget processes. Should a new staff resources be required, but not budgeted, staff from other service areas may need to be re-assigned to support the administration of the grant program, which could impact the timing and quality of other programs and project work.

### **COMMUNITY ENGAGEMENT**

An extensive public engagement program was undertaken in preparing the Regional Centre Plan (Package A). A summary of this program is included in the staff report, dated April 3, 2019. Details can also be found at <https://www.shapeyourcityhalifax.ca/centre-plan>.

In relation to the proposal Affordable housing grant program, staff have and continue to consult with the Halifax Housing Partnership and affordable housing providers about the Municipal role in supporting the rehabilitation and construction of affordable housing. Further consultations will be carried out as the grant program is implemented and refined in response to feedback from key stakeholders.

### **ENVIRONMENTAL IMPLICATIONS**

There are no environmental implications identified.

### **ALTERNATIVES**

Regional Council may:

#### **Bonus Zoning Reserve Business Case and Administrative Order**

1. Modify the proposed Incentive or Bonus Zoning Reserve Business Case and Administrative Order. If this alternative is chosen, specific direction regarding the requested modifications is required. Substantive amendments may require a supplementary staff report.
2. Refuse to approve the proposed Incentive or Bonus Zoning Reserve and related Administrative Order. This is not recommended as it will impact the implementation of the applicable planning regulations.

#### **Affordable Housing Incentives Grant Program Administrative Order**

3. Modify the proposed Affordable Housing Incentives Grant Program Administrative Order. If this alternative is chosen, specific direction regarding the requested modifications is required. Substantive amendments may require a supplementary staff report.
4. Refuse to approve the proposed Affordable Housing Incentives Grant Program Administrative Order. If this alternative is chosen, the Municipality will continue to be able contribute incentive or

bonus zoning funds to the Government of Canada, Government of Canada, Government of Nova Scotia, or a non-profit group to support the rehabilitation or construction of affordable housing.

**ATTACHMENTS**

Attachment A: Reserve Business Case

Attachment B: Proposed Administrative Order 2020-007-ADM-ADM, Respecting Incentive or Bonus Zoning Public Benefits

Attachment C: Proposed Administrative Order 2020-008-ADM, Respecting Grants for Affordable Housing

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A copy of this report can be obtained online at [halifax.ca](http://halifax.ca) or by contacting the Office of the Municipal Clerk at 902.490.4210.

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# Attachment A: Reserve Business Case

## ***Incentive or Bonus Zoning Reserve***

**Type of Reserve:** *Contingency Funds for Opportunities*

Incentive or bonus zoning is a planning tool enabled by the *HRM Charter* that allows the Municipality to require developments to provide public benefits in exchange for greater development rights. The intent of this tool is to supplement other municipal investments so that the density enabled under the Centre Plan is accompanied by the amenities and public benefits that support complete and inclusive communities.

### **Purpose**

The reserve facilitates the implementation of the incentive or bonus zoning policies as contained in applicable municipal planning strategies and land use by-laws.

- An effective reserve will improve transparency and simplify (bonus zoning) funding for affordable housing, heritage properties, public art, municipal parks, and community or cultural space, in addition to other Municipal funding sources and reserves.

Funds may only be expended in accordance with the *HRM Charter*, applicable land use by-laws, and used for the purpose for which the money was accepted.

### **Source of Funds**

Sources of funds will include:

- a) incentive or bonus zoning money-in-lieu payments as required by the applicable land use by-laws;
- b) amounts transferred to the fund as approved by Council; and
- c) interest accumulated in accordance with the Corporate Guidelines respecting Reserves.

### **Application of Funds**

- Per the Halifax Regional Municipality Charter Subsection 245A (6), the Municipality shall use any money accepted in-lieu of a contribution for the purpose for which the money was accepted;
- Funding allocation for the public benefits will be in accordance with the applicable land use by-laws; and
- Fund expenditures will be in accordance with any Administrative Orders approved by Council.

## Time Line and Balances

This reserve is to be ongoing. Per Administrative Order 2014-015, the *Financial Reserves Administrative Order*, the Director of Finance shall:

- a) review the reserve annually to ensure that funds are contributed and withdrawn according to the approved Reserve Business Case and any applicable Administrative Orders;
- b) review each Reserve at set intervals to ensure continuing relevance and adequacy with the strategic direction of the Municipality;
  - i. set interval for this reserve will be every 3 years;
- c) provide to Council an annual report on Reserve activity and balance; and,
- d) recommend to Council the closure of any Reserve whose purpose is outdated or to combine any Reserves with similar purposes.

In accordance with the Administrative Order 2014-015, a minimum balance of \$1 will be set to enable funds in any one public benefit category to be fully used in any fiscal year, and the maximum balance will be \$20 M to allow funds to accumulate and support large projects.

Per the Administrative Order 2014-015 Guidelines, the Planning and Development shall submit a five year detailed cash flow projection which includes contributions and withdrawals once an Investment or Bonus Zoning Program Administrative Order is approved by Council.

This will be developed in consultation with Business Units and will be updated following Council approval of the Incentive or Bonus Zoning funding program.

## Approval Process

As outlined in the Administrative Order 2014-015 and Administrative Guidelines, withdrawals from the reserve will be guided by the applicable land use by-laws and Administrative Orders approved by Council, either through the annual budget process to ensure it continues to meet the operational requirements, or by motion of Council subsequent to approved budget. Finance is responsible for ensuring availability of funds and appropriateness of withdrawals in accordance with the Reserve Business Case prior to report submission to Audit & Finance Standing Committee and Council requesting their approval.

Original Council Approval Date	
Effective Date of Last Revision	
Business Unit Director Contact	

## Attachment B: Proposed Incentive of Bonus Zoning Administrative Order

### ADMINISTRATIVE ORDER NUMBER 2020-007-ADM RESPECTING INCENTIVE OR BONUS ZONING PUBLIC BENEFITS

**BE IT RESOLVED AS AN ADMINISTRATIVE ORDER** of the Council of the Halifax Regional Municipality under the authority of the *Halifax Regional Municipality Charter*, as follows:

**WHEREAS** some of the land use by-laws of the Municipality have implemented incentive or bonus zoning and either allow or require money-in-lieu to be accepted in lieu of a contribution;

**AND WHEREAS** under subsection 245A (6) of the *Halifax Regional Municipality Charter*, the Municipality shall use any money accepted in-lieu of an incentive or bonus zoning contribution for the purpose for which the money was accepted;

#### **Short Title**

1. This Administrative Order may be known as the “*Incentive or Bonus Zoning Public Benefits Administrative Order*”.

#### **Interpretation**

2. In this Administrative Order,

(a) “Bonus Zoning Reserve” means the reserve established to hold the incentive or bonus zoning payments of money-in-lieu of a contribution under the applicable land use by-laws;

(b) “Council” means the Council of the Municipality;

(c) “Municipality” means the Halifax Regional Municipality;

(d) “non-profit organization” means a

(i) society incorporated pursuant to the *Societies Act*, R.S.N.S 1989 c.435, as amended,

(ii) non-profit association incorporated pursuant to the *Co-Operative Associations Act*, R.S.N.S c.98, as amended,

(iii) not-for-profit incorporated pursuant to the *Canada Not-for-profit Corporations Act*, S.C 2009, c.23,

(iv) non-profit organization otherwise incorporated pursuant to an Act of the Nova Scotia Legislature; or

(v) registered Canadian charitable organization;

(e) “registered Canadian charitable organization” means a charitable organization registered pursuant to the Income Tax Act (Canada) and the regulations made pursuant to that Act; and

(f) “Regional Centre” means the Regional Centre Area shown on the most recent version of *Regional Centre Secondary Municipal Planning Strategy*; and

(g) “regional park” means large Municipal owned parks that meet the regional park classification or are identified as regional parks under the Regional Municipal Planning Strategy.

### **Purpose**

3. The purpose of this Administrative Order is to guide the expenditure of funds held in the Bonus Zoning Reserve.

### **Roles and Responsibilities**

4. Council shall consider impacts to the Bonus Zoning Reserve in accordance with the *Financial Reserves Administrative Order* and may approve withdrawals to the Bonus Zoning Reserve through the annual budget process or Council motion.

### **Expenditure of Incentive or Bonus Zoning Funds**

6. Under the *Regional Centre Land Use By-law*, money-in-lieu may be accepted for contributions that include the following:

- (a) affordable housing;
- (b) the conservation of a registered heritage building that is not located on the site of the development;
- (c) the improvement of municipal parks;
- (d) affordable community or cultural indoor space; and
- (e) public art.

7. Under subsection 245A (6) of the *Halifax Regional Municipality Charter*, the Municipality shall use any money accepted in-lieu of an incentive or bonus zoning contribution for the purpose for which the money was accepted.

8. Subject to section 12, monies that have been collected through incentive or bonusing zoning program shall only be used for projects or properties located within the Regional Centre.

### **Affordable Housing**

9. Funds expended for the rehabilitation or construction of affordable housing shall only be used for:

(a) supporting affordable housing under the *Grants for Affordable Housing Administrative Order*;

(b) a contribution agreement between the Municipality and the Government of Canada, Government of Nova Scotia, or a non-profit group to support the rehabilitation or construction of affordable housing; or

(c) any combination of clauses a and b.

#### **Conservation of Registered Heritage Buildings**

10. Funds expended for the conservation of a registered heritage property shall only be used for:

(a) enhancing the regularly budgeted funds used to provide grants to registered heritage buildings under Administrative Order 2014-002-ADM, the *Heritage Incentive Program Administrative Order*;

(b) conserving or acquiring Municipally owned registered heritage properties; or

(c) any combination of clauses a and b.

#### **Improvements to Municipal Parks**

11. Funds expended for parks shall only be used for improving parkland owned by the Municipality.

12. Funds may be expended for improving regional parks located outside of the Regional Centre.

#### **Affordable Community or Cultural Space**

13. Funds expended for affordable community or cultural space shall only be used for:

(a) grants to a non-profit organization to construct or rehabilitate facilities used for community and cultural purposes, such as offices, meeting rooms, recreational facilities, educational facilities, art and cultural spaces, daycare uses, and other social services;

(b) the construction or rehabilitation of Municipal facilities used for community and cultural purposes such as offices, meeting rooms, recreational facilities, educational facilities, art and cultural spaces, daycare uses, and other social services; or

(c) any combination of clauses a and b.

14. Requests for grants by non-profit organizations under clause 13(a), must be:

- and
- (a) reviewed for consistency with applicable Municipal policies, plans, and strategies;
  - (b) include the following information:
    - (i) the amount of financial assistance requested,
    - (ii) the purpose for the requested financial assistance and how it relates to applicable Municipal policies, plans, and strategies,
    - (iii) proof of non-profit status,
    - (iv) articles of incorporation, including its mission statement,
    - (v) complete financial statements, including itemized revenues, expenses, assets and liabilities for the prior three (3) fiscal years, or if the non-profit organization has not been incorporated for the prior three fiscal years, the number of fiscal years the organization has been incorporated,
    - (vi) a five-year operating and capital budget in the form to be provided by the Municipality, and
    - (vii) a statement identifying any other municipal, provincial, or federal government funding, including indirect or in-kind assistance with documentation to support the monetary value of assistance or a clear description of same.

**Public Art**

15. Funds expended for public art shall be used for the purchase and maintenance of public art in accordance with the *Public Art Policy*.

Done and passed this    day of                    , 2020.

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Mayor

\_\_\_\_\_  
Municipal Clerk

**Attachment C: Proposed Incentive of Bonus Zoning for Affordable Housing Administrative Order**

**ADMINISTRATIVE ORDER NUMBER 2020-008-ADM  
RESPECTING GRANTS FOR AFFORDABLE HOUSING**

**BE IT RESOLVED AS AN ADMINISTRATIVE ORDER** of the Council of the Halifax Regional Municipality under the authority of the *Halifax Regional Municipality Charter*, as follows:

**WHEREAS** the *Incentive or Bonus Zoning Public Benefits Administrative Order* allows money-in-lieu accepted for affordable housing to be spent under this Administrative Order;

**Short Title**

1. This Administrative Order may be known as the “*Grants for Affordable Housing Administrative Order*.”

**Interpretation**

2. In this Administrative Order,

(a) “affordable housing” means housing that meets the needs of a variety of households in the low to moderate income range;

(b) “Bonus Zoning Reserve” means the reserve established to hold the incentive or bonus zoning payments of money-in-lieu of a contribution under the applicable land use by-laws;

(c) “contribution agreement” means an agreement signed between the Municipality and the non-profit organization under this Administrative Order;

(d) “CAO” means the Chief Administrative Officer of the Municipality;

(e) “Council” means the Council of the Municipality;

(f) “deep affordability” means dwelling units rented at a minimum of 40% below the average market rents for a dwelling unit of the same type and within the most specific geographic zone available through the Canadian Mortgage and Housing Corporation or Statistics Canada;

(g) “fiscal year” means the period from April 1st in one year to March 31st in the following year, including both dates;

(h) “Municipality” means the Halifax Regional Municipality;

(i) “non-profit organization” means a

(i) society incorporated pursuant to the *Societies Act*, R.S.N.S 1989 c.435, as amended,

(ii) non-profit association incorporated pursuant to the *Co-Operative Associations Act*, R.S.N.S c.98, as amended,

(iii) not-for-profit incorporated pursuant to *the Canada Not-for-profit Corporations Act*, S.C 2009, c.23,



(iv) non-profit organization otherwise incorporated pursuant to an Act of the Nova Scotia Legislature, or

(v) registered Canadian charitable organization;

(j) “registered Canadian charitable organization” means a charitable organization registered pursuant to the Income Tax Act (Canada) and the regulations made pursuant to that Act; and

(j) “Regional Centre Area” means the Regional Centre Area shown on the most recent version of Regional Centre Secondary Municipal Planning Strategy.

### **Purpose**

3. The purpose of this Administrative Order is to provide grants to eligible organizations for the construction or rehabilitation of affordable housing dwelling units.

### **Roles and Responsibilities**

4. The CAO, or delegate, shall expend the funds contained in the Bonus Zoning Reserve for affordable housing in accordance with the policies contained in this Administrative Order.

### **Eligibility for Consideration for Affordable Housing Grant**

5. To be eligible for consideration for a grant for affordable housing under this Administrative Order, an applicant must:

- (a) be a non-profit organization that has been incorporated for at least one year; and
- (b) be applying for a grant to
  - (i) rehabilitate existing dwelling units for the purpose of affordable housing, or
  - (ii) construct new affordable housing dwelling units.

### **Eligible Costs**

6. The following rehabilitation costs for dwelling units are eligible for a grant under this Administrative Order:

- (a) construction costs; and
- (b) design costs.

7. The following costs for new affordable housing dwelling units are eligible for a grant under this Administrative Order:

- (a) construction costs; and
- (b) design costs.

8. Construction costs for partnerships between a non-profit organization and a person may only be considered for a grant under this Administrative Order if there is an agreement between the non-profit and the person under which:

(a) the person agrees to transfer ownership of the affordable housing dwelling units that are the subject of the grant to the non-profit organization prior to occupancy; or

- (b) the affordable housing dwelling units are owned by the non-profit organization.

**Ineligible Costs**

9. The following work and materials are ineligible for a grant under this Administrative Order:
- (a) private sector construction of affordable housing dwelling units, unless clause 8(a) applies;
  - (b) rehabilitation of affordable housing dwelling units that are not owned by a non-profit organization; and
  - (c) operating expenses of the non-profit organization, including wages of employees of the non-profit organization, debt payment, or losses from a previous fiscal year.

**General Requirements**

10. This Administrative Order operates on the Municipality's fiscal year.
11. There is one intake period per fiscal year.
12. Subject to section 13, applications under this Administrative Order will only be accepted between September 1st and December 1st in a given calendar year for the following fiscal year.
13. Where December 1<sup>st</sup> falls on a weekend or holiday, the intake period shall be extended until the end of the next business day.
14. All applications must be received by the Municipality by mail, in person, or by e-mail.
15. The address for submission of applications will be posted on [www.halifax.ca](http://www.halifax.ca) prior to the intake period.
16. Subject to the amount in the Bonus Zoning Reserve and budget, there is no maximum annual amount of financial assistance per property.
17. The minimum annual amount of financial assistance per property is \$500.00.

**Required Information For All Applications**

18. All the items required under sections 19, 20, and 21 must be received by the Municipality by the application deadline under section 12.
19. All applications under this Administrative Order must include the following items:
- (a) proof, satisfactory to the CAO or designate, that the applicant is:
    - (i) a non-profit organization, and
    - (ii) has been a non-profit organization for more than 1 year;
  - (b) the amount of financial assistance requested;
  - (c) confirmation of ownership of the land containing the affordable housing dwelling units;

(d) in the case of a partnership under section 8, copies of all existing agreements between the non-profit organization and the person regarding ownership transfer to the non-profit organization of the affordable housing dwelling units;

(e) a summary describing the project, including:

(i) the total number of affordable housing dwelling units, and the approximate size and number of bedrooms,

(ii) who the affordable housing dwelling units are intended to serve, such as the targeted clients income levels, household composition, immigration status, or related health issues;

(iii) the address and location of the proposed development,

(iv) the ownership structure of the affordable housing dwelling units and the development, and

(v) how the project will achieve long term stability;

(f) a summary describing the non-profit organization, including who it serves and any examples of similar projects the organization lead or had participated in;

(g) all sources of funding, whether confirmed or unconfirmed, that will be used to purchase the property,

(h) if funding is being provided by

(i) the Province of Nova Scotia, including Housing Nova Scotia, or

(ii) the Government of Canada, including Canada Mortgage and Housing Corporation (CMHC),

then a letter from them confirming approval or eligibility for such funding;

(i) a valid email address for communication by the Municipality; and

(j) any other information that may be required by the CAO, or delegate.

#### **Additional Content for Affordable Housing Rehabilitation Applications**

20. In addition to section 19, applications for affordable housing dwelling unit rehabilitation costs must contain an overview of the rehabilitation project, including:

(a) a description of the work to be completed, such as the extent of required repairs, and a description of the importance of that work in maintaining the availability of the affordable housing dwelling unit to people in the low to moderate range income range;

(b) a description of how the project will improve the energy efficiency of the building; and

(c) estimates from two professional contractors for the proposed repairs or renewal work.

#### **Additional Content for New Affordable Housing Construction Applications**

21. In addition to section 19, for the construction of new affordable housing dwelling units, applications must contain an overview of the proposed affordable housing development, including:

- (a) confirmation that the development can be carried out under current land use regulations;
- (b) a description of how the project will meet or exceed the energy efficiency requirements of the *National Building Code*; and
- (c) a project proforma that
  - (i) identifies hard and soft costs associated with the development,
  - (ii) identifies all fees payable to the Municipality,
  - (iii) identifies all sources of financing, both confirmed and unconfirmed;
  - (iv) estimates the operational costs and rental income, and
  - (v) the names and experience of the project management team for the project.

**Discretionary Information for All Applications**

22. Unless the information is required by the CAO, or delegate, under clause 19(j), the following information is recommended to help with project evaluation and prioritization:

- (a) detailed building plans;
- (b) supporting information from a qualified professional that the proposed development exceeds accessibility and environmental requirements outlined in *the National Building Code*;
- (c) supporting information outlining how the non-profit organization currently provides housing for those in need of deep affordability;
- (d) copies of all existing agreements with the Department of Municipal Affairs, Housing Nova Scotia, and Canada Mortgage and Housing Corporation for the purposes of providing affordable housing;
- (e) copies of an order to comply with Municipal minimum standards; and
- (f) any further supplemental material that, in the opinion of the applicant, demonstrates how the project meets affordable housing.

**Project Evaluation and Prioritization for Affordable Housing Incentives Grant**

23. Submissions will be evaluated by HRM staff, who may seek input from members of the Housing and Homelessness Partnership.

24. Monies that have been collected through incentive or bonusing zoning program for affordable housing shall only be used for projects within the Regional Centre.

25. The following criteria will be used to prioritize applications:

- (a) projects that have applied and are eligible for funding by
  - (i) the Province of Nova Scotia, including Housing Nova Scotia, or
  - (ii) the Government of Canada, including Canada Mortgage and Housing Corporation (CMHC),

for the purposes of developing or restoring affordable housing units;

- (b) projects that are required to provide a public benefit for incentive or bonus zoning pursuant to incentive and bonus zoning provisions of the Centre Plan, Downtown Halifax Plan or a development agreement;
- (c) projects by those non-profit organizations who currently serve those in need of deep affordability;
- (d) projects that exceed accessibility requirements of the *National Building Code*;
- (e) projects that include energy efficient design and components that substantially exceed the requirements of the *National Building Code*;
- (f) projects that have received an order from the Municipality to comply with By-law M-200, the *Standards For Residential Occupancies By-law*;
- (g) projects that demonstrate financial self-sustainability;
- (h) projects by applicants that demonstrate resources and capacity to support additional housing units;
- (i) projects by applicants with experience in successfully managing existing affordable housing dwelling units; and
- (j) balancing the allocation of money collected through the density and incentive bonus program to different areas of the Regional Centre.

#### **Application Review Process**

- 26. Applications will be screened by staff of the Municipality for basic eligibility as they are received.
- 27. Applicants will be notified if their applications are ineligible.
- 28.
  - (1) Eligible applications will be evaluated and prioritized by staff of the Municipality.
  - (2) A report and recommendations will be prepared by staff for consideration by the CAO or delegate.
- 29. Council hereby delegates to the CAO the authority to:
  - (a) approve grants under this Administrative Order;
  - (b) determine the amount of such grants; and
  - (c) approve and execute contribution agreements under section 35 on behalf of the Municipality, including amendments to such agreements.
- 30. The CAO may further delegate any or all of the authorities granted by Council to one or more employees of the Municipality.
- 31. Final approval of all applications for a grant, and the amount thereof, is a decision of the CAO or delegate in their sole discretion.

32. Notification of the decision of the CAO will be e-mailed to applicants after it is made.
33. Due to limited funds, not all eligible applications may receive funding.
34. Staff of the Municipality will provide an information report annually to the Council on the grants approved by the CAO, or their delegate.

**Conditions of Approval and Payments of Grants**

35. A successful applicant must sign a contribution agreement with the Municipality prior to any funds being issued.
36. Financial assistance provided through this Administrative Order will be detailed in the Contribution Agreement.
37. The Applicant must agree in the Contribution Agreements to the following items:
  - (a) the amount to be received under this Administrative Order;
  - (b) the work to be completed and the timeframe by which it must be completed;
  - (c) the process for reporting to the Municipality;
  - (d) money received under this Administrative Order must be used for the purposes outlined in the recipients funding application;
  - (e) repayment or recourse if:
    - (i) the project is not completed,
    - (ii) the scope of the project is changed, or
    - (iii) any portion of the money received from the Municipality is used for any purpose other than the approved project;
  - (f) to complete a final report describing the impact of the funding received from the Municipality within the timeframe indicated in the Contribution Agreement; and
  - (g) to notify the Municipality if;
    - (i) there is a change in scope of the project from that description in the application,
    - (ii) the project does not proceed, or
    - (iii) the project is not completed.
  - (h) any other matter needed to ensure that the money received from the Municipality is used to support the proposed project.

Done and passed this    day of                          , 2020.

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Mayor

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Municipal Clerk

I, \_\_\_\_\_, Municipal Clerk of the Halifax Regional Municipality, hereby certify that the above noted Administrative Order was passed at a meeting of Halifax Regional Council held on [month], [day], 202\_.