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Halifax, Nova Scotia
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Item No. 18.1
Halifax Regional Council
September 26, 2023

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed

Cathie O'Toole, Chief Administrative Officer

DATE: September 25, 2023

SUBJECT: Housing Accelerator Fund Application Update

ORIGIN

In the 2022 federal budget, the Government of Canada announced \$4 billion in new funding to create a Housing Accelerator Fund, with municipalities as the primary target recipients.

On March 17, 2023, the Government of Canada announced the launch of the Housing Accelerator Fund, with applications due June 14, 2023.

On [June 6, 2023](#), Regional Council passed the following motion:

MOVED by Councillor Cuttell, seconded by Councillor Mason

THAT Halifax Regional Council:

1. Direct the Chief Administrative Officer to submit a Housing Accelerator Fund Action Plan that includes the initiatives as generally outlined in Attachment A of the staff report dated June 3, 2023, along with all additional required documentation to the Canada Mortgage and Housing Corporation as the Municipality's application under the Housing Accelerator Fund program; and
2. Authorize the Chief Administrative Officer to enter into any contribution agreements or amending agreements that may be required should the Municipality be approved for funding under the program.

MOTION PUT AND PASSED

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter, S.N.S. 2008, c.39

Open meetings and exceptions

19(2) The Council or any committee appointed by the Council may meet in closed session to discuss matters relating to ... (e) contract negotiations; ...

Highway, housing and trails agreements

73(b) The Municipality may enter into and carry out agreements with

- (i) the Minister of Community Services or Canada Mortgage and Housing Corporation with respect to housing projects, or
- (ii) any body corporate or agency having similar objects to Canada Mortgage and Housing Corporation with respect to projects pursuant to the National Housing Act (Canada);

RECOMMENDATION

It is recommended that Halifax Regional Council,

1. Direct the Chief Administrative Officer:
 - a. To respond to the letter from the Minister of Housing, Infrastructure and Communities Canada, as included in Attachment A, to indicate HRM will include the initiatives as generally outlined, and further detailed in the staff report dated September 25, 2023, along with all additional required documentation to the Canada Mortgage and Housing Corporation as the Municipality's application under the Housing Accelerator Fund program to the extent the Municipality has the authority to do so;
 - b. Expedite amendments to the Regional Plan and supporting secondary planning strategies and land use by-laws (following the closure of the Regional Plan Review Phase 4 Public Participation Program on October 27, 2023) to enable:
 - i. a minimum of four units per lot in all residential zones across the municipality, and
 - ii. increase to the maximum height in all Centre Plan Established Residential Zones from 11 metres to 12 metres;
 - c. To create a public-facing affordable housing strategy, including a non-market component, as outlined in this report and to dedicate a Housing Accelerator Fund position to this work;
 - d. To work with HRM post-secondary institutions to increase density and create opportunities for student housing within a walking distance from post-secondary institutions across HRM; and
2. Request the Mayor to write a letter to the Province requesting a legislative amendment to grant the Chief Administrative Officer the authority to discharge existing development agreements where the development agreement is more restrictive than the as-of-right zoning.

BACKGROUND

The Housing Accelerator Fund (HAF) is a new federal program administered by the Canada Mortgage and Housing Corporation (CMHC) that will provide up to \$4 billion in funding directly to local authorities (primarily municipalities) to incentivize and support initiatives within the sphere of control of local governments that accelerate the supply of housing. In March 2023, the CMHC released the HAF pre-application reference material, which set out HAF program parameters, detailed the application process, and a target application submission date of June 14, 2023. The program will run from the summer of 2023 until 2026, and targets 100,000 net-new permits being issued for housing units across Canada.

To participate, municipalities are required to develop a HAF Action Plan as the basis of their application. The Action Plan must set out a housing supply growth target as well as specific initiatives that the municipality will undertake to meet the growth target. Growth is measured by the number of permits issued for new units. In setting a growth target, municipalities are required to calculate their baseline growth for net-new permits based on historical data and then commit to accelerating this baseline growth by a minimum of 10 per cent over the next three years. The HAF Action Plan must identify a minimum of seven initiatives that will be undertaken to meet this growth target. All initiatives selected must be implemented and completed within two years of the commencement of the HAF program.

DISCUSSION

HRM's Housing Accelerator Fund application has been under review with the Canada Mortgage and Housing Corporation since June 2023. Further information on HRM's initial submission can be found here: [Housing Accelerator Fund - June 6/23 Regional Council | Halifax.ca](#)

On September 21, 2023, the Municipality received feedback on our application directly from the Minister of Housing, Infrastructure and Communities, which is included in Attachment A. The letter views HRM's work on housing and the application favorably, but asks for a few adjustments to our application as follows:

- Legalizing 4 units as-of-right city wide;
- Legalizing dwellings up to 4-storeys high for all residential areas in the Centre Plan;
- Creating a non-market affordable housing strategy with staff dedicated to it; and
- Increasing density and student rentals within walking distance of the City's first rate post-secondary institutions.

It is staff's understanding that HRM's application needs to be amended to include these items as initiatives. This could also mean the initiatives would need to be completed within two-years' time (or sooner). Staff offer the following comments on the requests in support of amending the application:

Legalizing 4 Units As-Of-Right

Regional Council has already taken several steps to increase the number of units permitted as-of-right on all land in the municipality, as outlined in Table 1 below:

Table 1: *Existing and Proposed Council Initiatives to increase the number of permitted units in all low density residential zones across the municipality*

Existing Permissions	
Regional Council approved Secondary Suites and Backyard Suites regulations on September 1, 2020	This enabled secondary suites and backyard suites accessory to single unit, two-unit and townhouse dwellings in every residential zone in the municipality, allowing for 2 or 3 units per lot.

	Note: Suburban areas developed under a development agreement may not have access to these existing or future permissions.
Multi-Unit Housing and Cluster Housing was enabled in Residential Areas in the Centre Plan on October 26, 2021	This enabled internal conversion of existing single unit dwellings to six-unit housing in single-family neighborhoods in the ER-3 Zone across the Peninsula and Dartmouth; five units in the Young Avenue Special Area; and any existing multi-unit residential uses in any low density zone can be renovated, expanded and rebuilt. The Cluster Housing Zone permits up to 4 buildings and 24 units per lot and applies to existing cluster housing communities, and large flag lots.
Regional Council approved Shared Housing regulations on August 22, 2023	Definition for Shared Housing effectively removes single-use zoning in all residential areas in the municipality <ul style="list-style-type: none"> • Shared housing is considered a type of residential use and permitted in all residential zones • In low-density areas, shared housing will be permitted in conjunction with a permitted dwelling unit. Shared housing in low-density zones allows for up to 10 bedrooms per unit
Internal Conversions enabled in Residential Areas in the Centre Plan on October 26, 2021	Internal conversions up to 6 units is enabled in ER-3 zones, but not in ER-1 or ER-2 zones.
Proposed Policy	
Regional Plan Review	The Draft Regional Plan has already identified a core housing objective to increase gentle density and missing middle housing options, and specifically to allow any form of low-density housing to a minimum of three units per lot (draft Policy H-9)
Regional Centre Community Council Motion	On July 12, 2023 Regional Centre Community Council requested staff report on considering additional housing options in Centre Plan's low density neighbourhoods, including internal conversions, allowing for both a secondary suite and a backyard suite per lot, and larger shared housing uses.

City-wide rezoning of low-density areas has been implemented in Minneapolis, MN, the state of Oregon, Berkeley, CA, Vancouver, BC, and most recently in Calgary, AB. The lessons from those cities and regions so far are that wide-ranging, more permissive housing rules can add additional housing stock with limited impact on local neighbourhood character.

The Deloitte HRM Housing Development Barrier Review, prepared for the Executive Panel on Housing in HRM also identified the action to up-zone land previously reserved for single unit housing, allowing multi-unit buildings up to 3-4 units, ensuring there is sufficient water supply and wastewater capacity and considering heritage property protection. For further details please see: [housing-development-barrier-review.pdf \(novascotia.ca\)](https://www.novascotia.ca/housing-development-barrier-review.pdf).

At the time of writing this report, staff are seeking clarification from the Office of the Minister of Housing, Infrastructure and Communities, so determine if the term 'city-wide' means the entire region, or the area inside the service boundary. Should the Minister be suggesting that the changes be applied to the entire region, staff advise that on-site servicing for water and wastewater, which is the responsibility of the province, could limit the number of units possible on any given lot.

Staff recommend the objective of four units permitted as-of-right in the Urban Area can be achieved by expediting the proposed amendments to the Regional Plan, and completing these ahead of the broader Regional Plan Review amendments to ensure the Housing Accelerator Fund timelines and requirements can be met.

Staff also recommend that a request be made to the Province to grant the Municipality the authority to discharge existing development agreements that restrict single-unit dwellings from accessing those additional permissions.

Legalizing 4-storeys for all residential areas in the Centre Plan

Regional Council has already taken several steps to increase missing middle and small-scale residential within all residential areas of the Centre Plan, as outlined in Table 2 below:

Table 2: Existing and Proposed Council Initiatives to increase the Missing Middle in the Centre Plan Area

Existing Permissions	
All Centre Plan Established Residential Areas generally have a maximum height of 11 metres (4 storeys)	Within the Centre Plan Area, most residential areas have an 11 metre max, which permits up to 4 storeys (2.75 m floor height). A minor increase in height to 12 m would allow up to 4 storeys (3 m per floor). The RC LUB already includes a 3 metre height exemption for rooftop features above the 11 m maximum height.
Proposed Policy	
Regional Plan Review	The Draft Regional Plan has already identified a core housing objective to increase missing middle housing options, and specifically to allow any form of low-density housing to a minimum of three units per lot (draft Policy H-9), and 4 units per lot for cluster housing as well as 5 units per lot through a discretionary process.

Staff advise that the objective of four storeys is already achieved by the current permissions of allowing a maximum height of 11 metres in most ER areas with the exception of heritage districts and registered heritage properties. Should Council direct to increase the maximum height to 12 metres for more flexibility, as is recommended by staff, this can be achieved by expediting amendments to the Regional Plan, and completing these ahead of the broader Regional Plan Review amendments to ensure the Housing Accelerator Fund timelines and requirements can be met. Staff would recommend these adjustments exclude existing or proposed heritage districts and registered heritage properties.

Creating a non-market affordable housing strategy with staff dedicated to it

Regional Council has already undertaken an affordable housing strategy as part of their ongoing work with the Housing and Homeless Partnership and is committed to pursuing continued work on market and non-market affordable housing. HRM anticipates using the information prepared by the Provincial Government on HRM's Housing Needs Assessment and Housing Strategy to further assess housing needs within our region.

Details on the affordable housing initiatives staff have completed and or are working on can be found here: [Affordable housing funding | Rapid Housing Initiative \(RHI\) | Halifax](#). Summary details are found in Table 3 below.

Table 3: Completed and Proposed Initiatives for Non-market affordable housing strategy

Completed Initiatives

Affordable Housing Work Plan	<p>On July 31, 2018, Regional Council endorsed the Affordable Housing Work Plan which outlines the major contributions from the municipality to meet the five-year targets of the Housing and Homelessness Partnership. Key initiatives included:</p> <ul style="list-style-type: none"> • Density Bonus or Bonus Zoning • Registration and/or Licensing of Residential Rental Units • Removed of Policy and Regulatory Barriers • Municipal Funding Incentives • Municipal Surplus Land • Vulnerable Neighbourhoods <p>At present, staff have one FTE in policy and one in development dedicated to prioritizing affordable housing work.</p>
Proposed Initiatives	
Affordable Housing Work Plan/Strategic Plan	<p>Given the importance of housing to the municipality, staff have dedicated a full Chapter of the Draft Regional Plan to Housing, including Non-Market Affordable Housing. A link to this Chapter can be found here: https://www.shapeyourcityhalifax.ca/37947/widgets/158173/documents/109453</p> <p>This Chapter reflects the work that staff will pursue the next number of years. Staff suggest this Chapter could be reworked and made public facing, with the assistance of a temporary staff position funded through the Housing Accelerator Fund, to meet the requirement for a Non-Market Housing Strategy</p>

Increasing density and student rentals within walking distance of the City’s first rate post-secondary institutions

Regional Council, through work on the Centre Plan has allowed opportunities for both infill and high-density development on university lands.

Table 4: *Increasing density and student rentals within walking distance of post-secondary institutions*

Existing Initiatives	
Updated policies and regulations for University and College lands were enabled in the Centre Plan on October 26, 2021	<p>The UC-2 Zone: is applied to university and college properties located in dense urban areas and permits development height of up to 70 metres (23-24 storeys), including student housing.</p> <p>The UC-1 Zone: is applied to university and college properties located in low density residential urban areas and permits development height up to 38 metres (12-13 storeys), including student housing.</p> <p>The regulations also significantly reduced setbacks, parking requirements and increased lot coverage on university lands. Additional lands can be considered through a rezoning process.</p> <p>The Plan also allows up to 2 ha of lands abutting Institutional Employment designation to be rezoned to any institutional employment zone, such as UC-1 or UC-2.</p>
Proposed Initiatives	

Suburban Plan	The Suburban Plan Area includes post-secondary institutions, including Mount Saint Vincent University and NSCC. Policies and regulations for these lands can be updated through the Suburban Plan process, and opportunities for additional density can be achieved for surrounding lands, particularly those located on transit. Staff will assess these lands to determine if any adjustments can be made to land use.
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Staff advise that the objective of densifying university and college lands has been achieved through the Centre Plan. Given that many of the university lands are located in low density neighborhoods, the objective of increasing density can be partially achieved by allowing up to 4 units and 4 storeys per lot. Staff also advise that additional opportunities can be explored through the rezoning process and working with post-secondary institutions to identify rapid solutions to student housing at the site-level.

FINANCIAL IMPLICATIONS

No additional financial risks are anticipated beyond those stated in the Housing Accelerator Fund Staff Report dated June 6, 2023.

RISK CONSIDERATION

In addition to those risks stated in the Housing Accelerator Fund Staff Report dated June 6, 2023, changes to the Regional Plan, Secondary Planning Strategies and Land Use By-Laws involve a public process and are a discretionary decision of Regional Council, which cannot be pre-determined. Staff recommend expediting any changes as quickly as possible to advance Regional Council's position. To do this, existing staff resources will be assigned to do this work. This may cause delays to existing work directed by Regional Council, such as the Regional Plan or Suburban Plan, although staff will make every effort to move forward with all initiatives.

COMMUNITY ENGAGEMENT

Community engagement conducted as part of the Regional Plan Review to date has included both online and in-person engagement opportunities, including pop-ups and open houses. The current community engagement on the draft Regional Plan includes specific information on housing policies, and significant public feedback has already been collected on the need for rapid solutions to the current challenge of housing supply and affordability.

ENVIRONMENTAL IMPLICATIONS

No additional environmental risks are anticipated beyond those stated in the Housing Accelerator Fund Staff Report dated June 6, 2023.

ALTERNATIVES

1. Halifax Regional Council could amend the initiatives to be put forward in the HAF Action Plan to differ from those suggested by the Minister of Housing, Infrastructure and Communities. This is not recommended as the initiatives were strategically selected by the Federal Government.
2. Halifax Regional Council may decide to not approve any adjustments to the HAF Action Plan. This is not recommended as participation in the HAF program is well aligned with several Council

priorities and strategic outcomes and presents an opportunity for the municipality to receive sizeable federal funding that can be put towards a broad range of municipal projects.

3. Halifax Regional Council could request approval of the regulatory changes identified by the Federal Minister of Housing, Infrastructure and Communities, to be expedited through the Executive Panel on Housing in the Halifax Regional Municipality, and approval of the Minister of Municipal Affairs and Housing of Nova Scotia.

ATTACHMENTS

Attachment A September 21, 2023 Letter from the Minister of Housing, Infrastructure and Communities

If the report is released to the public, a copy can be obtained by contacting the Office of the Municipal Clerk at 902.490.4210.

Report Prepared by: Kate Greene, Director of Regional and Community Planning (902) 225-6217
Kasia Tota, Manager of Community Planning (902) 292-3934

Minister of Housing,
Infrastructure
and Communities



Ministre du Logement,
de l'Infrastructure
et des Collectivités

Ottawa, Canada K1P 0B6

Mayor Mike Savage
mayor@halifax.ca

September 21, 2023

Dear Mayor Savage,

As a former resident of Halifax, and as a proud Nova Scotian, I was pleased to review Halifax's Housing Accelerator Fund (HAF) application. As one of the fastest growing cities in our country, I want to ensure the federal government plays an important role in supporting the City as it continues to grow and contribute to the well-being of the Atlantic region and the entire country.

From our many conversations, I know you want to see Halifax do everything that it can to ensure housing is available for all of its residents. You have been a tremendous advocate for Halifax, and an extraordinary partner in your engagement with the federal government.

While the City is embracing economic and population growth, it has withstood a series of challenging events. From hurricanes, to wildfires, to floods, the impacts of increasingly common severe weather events have threatened the City's progress. It is reassuring to have your leadership at such an important juncture. I commend you and Council for your service during these times, and for maintaining your focus on increasing the supply of housing in Halifax, and deliberately densifying the city core near existing municipal services, including transit, in the face of unprecedented challenges that have a serious impact on the City's residents.

Upon reviewing your application in detail, there were a number of initiatives which I was pleased to see. However, there are a few changes I request that you consider in order to strengthen it. These include:

- Legalizing 4 units as-of-right city wide;
- Legalizing dwellings up to 4-storeys high for all residential areas in the Centre Plan;
- Creating a non-market affordable housing strategy with staff dedicated to it; and
- Increasing density and student rentals within walking distance of the City's first rate post-secondary institutions.

I am eager to approve Halifax's application, but I will not be able to do so before you consider these improvements. I will remain a steadfast ally of the City and of any municipality ready to lead with the level of ambition required to solve Canada's housing crisis.

I appreciate you entertaining these requests and look forward to future conversations.

Sincerely,

original signed

The Honourable Sean Fraser, P.C., M.P.
Minister of Housing, Infrastructure and Communities

Canada