



REGIONAL PLAN REVIEW ISSUE PAPER

# DENSITY BONUSING

**HALIFAX**

May 2021

## INTRODUCTION

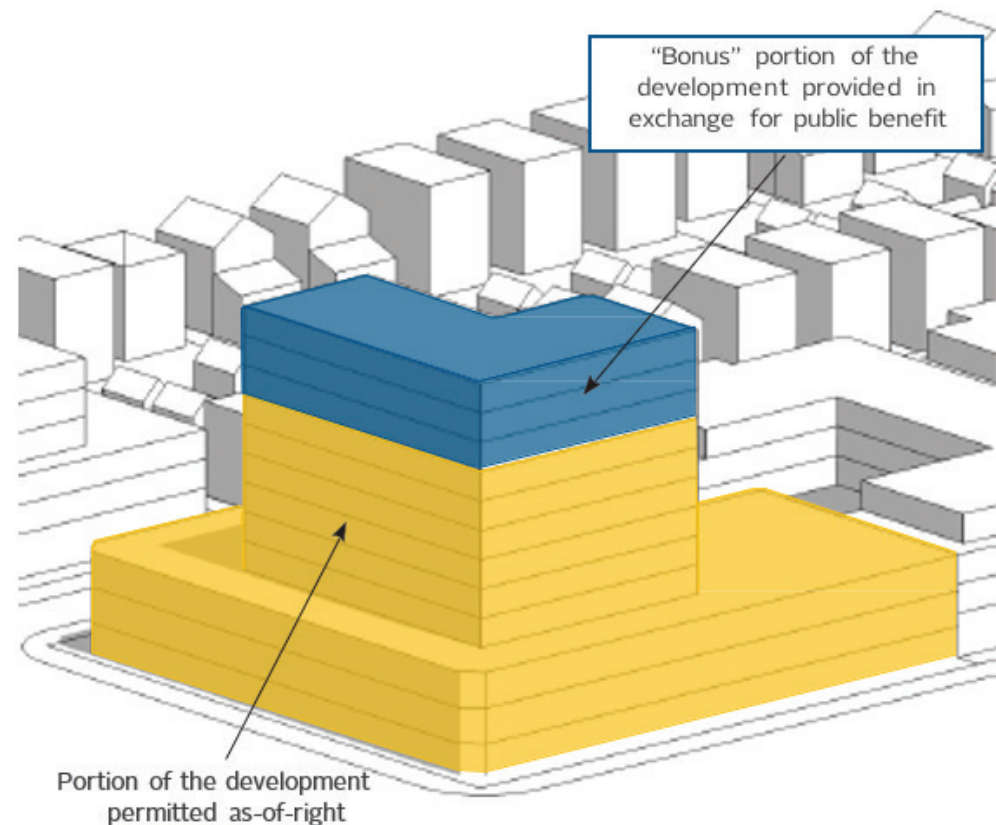
New large developments can place demands on existing neighbourhood amenities by introducing many new residents to the area. Density Bonusing programs (also known as Bonus Zoning or Incentive Zoning) allow the Municipality to require public benefits that are connected to the development and will contribute to the public realm and livability of the area. Public benefits can be on the ground, such as public art, or can be received as money-in-lieu, such as funds to be used to support affordable housing or municipal park improvements. These public benefits are generally provided in exchange for predetermined “bonus” development rights, which are granted in addition to what is permitted as-of-right.

Density bonusing has been introduced in HRM as a tool in the Downtown Halifax Plan Area and in the Regional Centre Plan Area, where the provision of affordable housing is identified as a required public benefit. However, there is currently no density bonusing program outside of the Regional Centre. As a result, there is no tool to consistently collect public benefit for developments within our suburban and rural areas.

A full density bonusing program typically requires a new overall land use planning

framework (including establishing standard development rights and bonus development rights) and establishing land value areas. This is a significant undertaking for the Municipality. The Secondary Plan and By-law Simplification program will develop and implement such a program in the Rural and Suburban Plans.

In the meantime, development in these areas is largely taking place through amendments to the existing secondary municipal planning strategies. This often results in larger developments compared to what would be enabled under existing policy. These developments can increase property value and demand on the public services and amenities in existing communities. In order to better support these areas, an interim density bonusing program for amendments to municipal planning strategies should be considered until a more comprehensive program can be established.



## DENSITY BONUSING IN HRM

Currently, density bonusing is used in HRM in three ways:

### Downtown Halifax

- The required public benefit is based on the total gross floor area that exceeds established height (pre-bonus height). New development cannot exceed a specified maximum height.
- The same density bonus rate is applied to the whole Downtown Halifax area.
- The program includes 10 categories of public benefits that can be provided. Options are mainly limited to on-site public benefit (e.g. publicly accessible amenity space, provision of 3- and 4-bedroom units, sustainable building practices).

### Regional Centre

- Required public benefit is based on 20% of the new gross floor area that exceeds 2,000 square metres. New development cannot exceed a specified maximum height or maximum floor area ratio.
- The Regional Centre is divided into seven districts with varying density bonus rates, based on 60% of average land values in those areas.
- The Land Use By-law includes five categories of acceptable public benefit. Options are mainly limited to cash-in-lieu, except for on-site heritage restoration and the provision of public art.
- 60% of public benefit must be provided as cash-in-lieu for affordable housing except for registered heritage buildings where up to 90% can be dedicated to heritage building conservation on the site of development.

### Future Growth Nodes (Regional Centre)

- Future Growth Nodes are larger areas of land that are identified in the Centre Plan for more detailed master neighbourhood planning. Under these policies, development provisions within a Future Growth Node (including bonus zoning) would proceed by development agreement, which requires the approval of Council.
- Because the current land value of FGNs does not reflect their land value after master neighbourhood planning has been completed, an independent appraisal analysis must be completed to determine the “existing” value of the property and the “after” value of the property.
- The required public benefit is determined based on a predetermined percentage of the total increase in property value (after value minus the existing value)

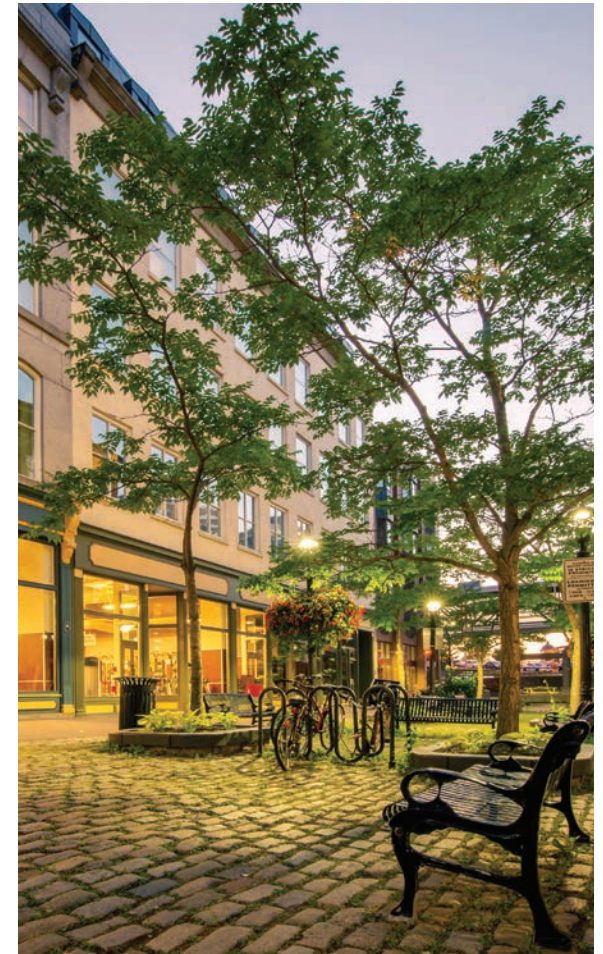
## PROPOSED INTERIM APPROACH

It is proposed that the Municipality adopt a similar approach used for Future Growth Nodes in determining density bonusing for areas outside of the Regional Centre on an interim basis. Such a program would:

- Apply only to developments considered through the Regional Plan or Secondary Municipal Planning Strategy amendments;
- Use the increase in property value as a result of the new rules to calculate the total amount of public benefit; and
- Use the same public benefit categories as those under the Regional Centre Plan, including the requirement that 60% of the public benefit be provided as cash-in-lieu for affordable housing.

The approach to determining the change in property value would be as follows:

- The applicant shall commission an independent appraisal analysis (completed by an AACI designated professional or by a list of firms supplied by HRM) that will distinguish:
  - The “existing” value of the site under current development policy and regulation conditions; and
  - The “after” value of the site once the land use rights under the proposed planning amendment are in effect (market value).
- The appraisal analysis would:
  - Identify HRM as the client; and
  - Be completed under the direction of HRM after the proposed plan provisions are established, but before the proposed provision are brought to Council.
- A predetermined percentage of the total increase in property value (after value minus the existing value) will be the required public benefit. The Regional Centre Plan requires 12%, while Turner Drake has recommended 60% to 75%.



## HAVE YOUR SAY!

Find out more about the Regional Plan Review and send us your feedback on the project webpage:

[www.shapeyourcityhalifax.ca/regional-plan](http://www.shapeyourcityhalifax.ca/regional-plan)

Questions? Email us: [regionalplan@halifax.ca](mailto:regionalplan@halifax.ca)