

P.O. Box 1749 Halifax, Nova Scotia B3J 3A5 Canada

Item No. 15.1.1 (i) Heritage Advisory Committee April 17, 2024 Halifax Regional Council April 23, 2024

| то: | Mayor Savage and Members of Halifax Regional Council |
|---------------|--|
| SUBMITTED BY: | -Original Signed- |
| | Cathie O'Toole, Chief Administrative Officer |
| DATE: | March 27, 2024 |
| SUBJECT: | Housing Accelerator Fund - Urgent Changes to Planning Documents for Housing & Suburban Housing Accelerator SMPS & LUB (MINORREV-2023- 01065) |

<u>ORIGIN</u>

Regional Council, September 26, 2023, Item 18.1 (Housing Accelerator Fund)

MOVED by Councillor Mason, seconded by Councillor Stoddard

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 the staff report dated September 25, 2023, 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 within the urban service boundary; and
 - ii. changes to the Regional Centre Secondary Planning Strategy and Land Use By-Law that would enable more missing middle housing, with a particular focus on smaller, faster building form and construction, and wood frame construction, while ensuring water supply and wastewater capacity is considered and existing and

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proposed heritage conservation areas are exempted.

- c. To create a public-facing affordable housing strategy, including a non-market component, as outlined in the staff report dated September 25, 2023 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;

MOTION AS AMENDED PUT AND PASSED UNANIMOUSLY

MOVED by Councillor Mason, seconded by Councillor Stoddard

THAT Halifax Regional Council:

 Request the Chief Administrative Officer prepare a letter for the Mayor 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.

MOTION PUT AND PASSED

Regional Council, July 11, 2023, Item 15.1.10 (Suburban Planning Process)

MOVED by Councillor Cuttell, seconded by Councillor Blackburn

THAT Halifax Regional Council direct the Chief Administrative Officer to:

- Initiate a process to develop a new comprehensive Secondary Municipal Planning Strategy and Land Use By-law for suburban areas (the Suburban Plan) with a priority given to enabling transitsupportive, mixed-use development as outlined in the staff report dated June 23, 2023, including amending the Regional Municipal Planning Strategy, the Regional Subdivision By-law and amending or repealing any applicable secondary municipal planning strategies and land use bylaws to implement the new plan;
- 2. Use the Regional Plan Review engagement program, as presented to Regional Council on June 20, 2023, as the initial public participation program policy guiding the Suburban Plan;
- 3. Effective immediately, direct any new requests for site-specific amendments to Municipal Planning Strategies in the Suburban Area to the suburban planning process, and direct staff to address current requests as generally outlined in Attachment A, except that for Case 23600 it is directed that staff continue to process a site-specific municipal planning strategy amendment, subject to addressing the suburban plan guidelines presented in the proposed Regional Plan.

MOTION AS AMENDED PUT AND PASSED UNANIMOUSLY.

Regional Council, July 12, 2023, Item 15.1 (Maximum Setbacks)

MOVED by Councillor Austin, seconded by Councillor Cleary

1. That Halifax Regional Council request a staff report on incorporating maximum setbacks into the Centre and Downtown zones that aren't currently designated as pedestrian oriented streets along with provisions to allow those maximum setbacks to be varied.

MOTION PUT AND PASSED UNANIMOUSLY.

Regional Centre Community Council, July 12, 2023, Item 13.1.1 (Missing Middle Housing and Office Conversion)

MOVED by Councillor Mason, seconded by Councillor Mancini

THAT direct the Chief Administrative Officer (CAO) to provide a staff report regarding options and opportunities for possible amendments to the Regional Centre Land Use By-law to consider:

- 1. Allowing both secondary and backyard suites in ER zones, rather than allowing either/or;
- 2. Updating provisions related to internal conversions in ER2 and ER3 zones to
 - a. Increasing the number of units permitted for internal conversions in ER zones up to 5 units;
 - b. allow the building envelope modest increases to accommodate fire escapes/secondary egress;
 - c. strengthen controls to reduce impacts on neighbouring properties including but not limited to garbage screening, landscaping, and parking placement;
- 3. Enabling policy to allow affordable housing, cohousing, shared housing and similar forms of housing in a missing middle form in the ER-2 and ER-3 zones of a higher density than permitted by the Land Use By-law through a discretionary approval process, allowing limited lot consolidation while adhering to the general design standards, appearance, front, side, and back yards, with a focus of ensuring compatibility with the built form of neighbouring residential uses; and
- 4. Consider relaxing or removing unit type (bedroom count) requirements for buildings for the conversion of non-residential building built before 2019 to residential and consider recommendations to ease commercial conversions contained in The Case For Conversions by the Canadian Urban Institute.

MOTION PUT AND PASSED

Regional Council, May 31, 2022, Item 15.1.5 (Case 23600: Amendments to the Halifax Municipal Planning Strategy to enable high rise redevelopment on Ridge Valley Road and Cowie Hill Road, Halifax)

MOVED by Councillor Cleary, seconded by Councillor Cuttell

THAT Halifax Regional Council direct the Chief Administrative Officer to:

- Initiate a process to consider amendments to the Halifax Municipal Planning Strategy and Halifax Mainland Land Use By-law to modify zoning requirements for two R-4 zoned properties located at 30 Ridge Valley Road and 41 Cowie Hill Road; and
- 2. Follow the public participation program outlined in the Community Engagement section of the staff report dated April 6, 2022.

MOTION PUT AND PASSED UNANIMOUSLY.

Regional Council, December 13, 2022, Item 15.1.5 (Case 24378 – Rezoning of Main Avenue, Fairview and the expansion of Dutch Village Road)

MOVED by Councillor Morse, seconded by Councillor Stoddard

THAT Halifax Regional Council direct the Chief Administrative Officer to:

- 1. Initiate a process to consider amendments to the Halifax Municipal Planning Strategy and the Halifax Mainland Land Use By-law to allow mixed-use medium density development within the study area outlined within the staff report dated December 5, 2022; and
- 2. Follow the public participation program for municipal planning strategy amendments as approved by Regional Council on February 27, 1997.

MOTION PUT AND PASSED UNANIMOUSLY.

Not present: Councillors Kent, Cuttell, Russell

September 30th, 2020 Regional Council, Item 11.2.1 (Secondary and Backyard Suites):

MOVED by Councillor Smith, seconded by Deputy Mayor Blackburn

THAT Halifax Regional Council request a staff report that:

- 1. Recommends approaches to ensure accessibility to secondary and backyard suites from streets or driveways; and
- 2. Discusses how the Municipality will monitor secondary and backyard suites to determine if further amendments to community land use by-laws should be considered.

MOTION PUT AND PASSED.

LEGISLATIVE AUTHORITY

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

An Act to Amend the HRM Charter Respecting Housing:

- 14 (1) Notwithstanding the Halifax Regional Municipality Charter, an applicable municipal planning strategy or any by-law, policy or practice of the Halifax Regional Municipality, where the Halifax Regional Municipality Council is considering any planning decision under Part VIII of the Act or a community council is considering any planning decision it is empowered to make under the policy establishing the community council, the Council or community council may not refer the matter to a planning advisory committee or any other advisory committee of the Council for a recommendation prior to the Council's or the community council's decision on the matter.
- (2) Subsection (1) ceases to have effect three years from the date it comes into force.

By-law H-200, the "Heritage Property By-law":

4 The Committee shall, within the time limits prescribed by Council or the Act, advise the Region respecting:

(h) applications for heritage agreement, development agreements or amendments to a Land Use Bylaw which may affect a registered heritage property or amendments to a Municipal Planning Strategy affecting heritage policies;

RECOMMENDATION

It is recommended that the Heritage Advisory Committee recommend that Halifax Regional Council:

- 1. Give First Reading to consider approval of the proposed amendments to the Regional Centre Secondary Municipal Planning Strategy Policy and Land Use By-law as set out in Attachment C1 and C2, to implement policy changes related to heritage and schedule a public hearing; and
- 2. Adopt the proposed amendments to the Regional Centre Secondary Municipal Planning Strategy and Land Use By-law, as set out in Attachment C1 and C2.

It is recommended that Halifax Regional Council:

- 1. Give First Reading to consider:
 - a. Approval of the proposed amendments to the Regional Municipal Planning Strategy, the Regional Subdivision By-law and applicable secondary municipal planning strategies and land use by-laws, as set out in Attachments B1 to C2, and D1 to E9,;
 - b. Approval of the Suburban Housing Accelerator Secondary Municipal Planning Strategy and Land Use By-law as contained in Attachments C3 and C4;

and schedule a public hearing.

- 2. Adopt the proposed amendments to the Regional Municipal Planning Strategy, the Regional Subdivision By-law and applicable secondary municipal planning strategies and land use by-laws, as set out in Attachments B1 to C2, and D1 to E9.
- 3. Adopt the Suburban Housing Accelerator Secondary Municipal Planning Strategy and Land Use By-law as contained in Attachments C3 and C4.
- 4. Following the approval of the Suburban Housing Accelerator Secondary Municipal Planning Strategy and Land Use By-law, direct the Chief Administrative Officer to:
 - a. Consider amendments to applicable planning documents to enable the Suburban Site Specific Requests listed in Attachment A7, Table A7-3 of this report; and
 - b. Follow the public participation process set out in section 6(a) of *Public Participation Administrative Order*.

EXECUTIVE SUMMARY

This report provides key background on the <u>Urgent Changes to Planning Documents</u> initiative which advances changes to planning documents to help accelerate housing supply. This report outlines the background surrounding this request, the draft proposed changes presented for public feedback, the results of the community engagement, additional staff analysis, and the proposed amendments presented for Council consideration. Section 1.2 of the report highlights changes subject to Heritage Advisory Committee (HAC) recommendation.

In collaboration with the federal government and provincial governments, as part of the continued effort to support housing supply, the municipality is proposing amendments to planning documents that regulate the type of development in the municipality's urban and suburban areas. The proposed changes to planning documents presented in this report are intended to:

- Meet the housing objectives of the Halifax Regional Municipality, as well as the Federal Government and the Province of Nova Scotia to increase housing supply and streamline approvals¹;
- Create more supportive policy and regulatory conditions for building new housing, providing more housing options, and diversifying construction types;
- Build on the Centre Plan framework to further support gentle density, missing middle housing, more housing on transit, more housing for students and residential conversions;
- Advance suburban opportunity sites aligned with transit, and other amendments to suburban planning documents that improve regulatory conditions;
- Create more flexibility for backyard suites across the entire Municipality; and
- Create additional regulatory capacity for at least 200,000 units in the Urban Service Area.

The suite of changes proposed responds to the direction received from Regional Council in their <u>September</u> <u>26th Regional Council meeting</u>, and further correspondence from the Minister of Infrastructure, Communities and Housing in his letter <u>October 4, 2023</u> (Attachment A1) relating to HRM's participation in the Housing Accelerator Fund (HAF), which provides access to federal funding for housing and housing related investments. The Mayor's response to Minister Fraser is also included in Attachment A2. It is noted that the Municipality already requested from the Province of Nova Scotia and received the legislative authority to discharge restrictive development agreements.

The proposed changes are extensive and in staff's opinion meet or exceed HAF commitments and align with the framework of the Regional Plan and the Centre Plan. To further support the work, staff completed a jurisdictional scan of missing middle housing and met with local architects and design professionals over two days in mid-January. This research and input provided feedback on the performance of regulations and identified regulatory barriers to building more housing, many of which have been addressed through this report.

Engagement on the changes was conducted during the Regional Plan Review process in the Fall of 2023 and a more detailed proposal was presented for public feedback between Jan. 17 and Feb. 16, 2024. Extensive public feedback was received. Staff have summarized these findings in this report and have prepared a 'What We Heard Report' (Attachment A8) that details the public engagement. After the closing of the engagement on Feb 16, 2024, staff continued to provide information to the public and interested parties on the proposed changes, and any comments received identifying a position on the amendment package were circulated to the Clerk's Office for Regional Council's consideration.

The key proposed amendments for Council's consideration include:

¹ Province of NS. 2023. *Our Homes, Action for Housing A Five Year Housing Plan* includes a goal of increasing housing supply, faster approvals, and Provincial Land for Housing initiative.

- Changes to Centre Plan²: working within the framework of the Centre Plan, the proposed changes include: permitting up to 8 units per lot in low-rise residential zones subject to zone requirements such as minimum lot size, and consideration for heritage; increased allowance of internal conversion and no bedroom limits; heritage development agreements enabled in the Downtown Halifax Zone; increased density and heights along proposed rapid transit corridors and near post-secondary institutions; additional flexibility in built form for mid-rise to high-rise developments, for wood construction, for internal conversions from commercial to residential uses, allowance for multi-unit dwellings in INS zone in conjunction with institutional uses, and the addition of one new Future Growth Node. Staff estimate that the changes to zoning and density can increase regulatory capacity by approximately 71,000 units.
- Changes to Planning Documents in the Urban Service Boundary³: permitting 4 units per lot in lowrise residential areas; updates to certain development agreement policies to support more housing near proposed rapid transit or post-secondary institutions; remove certain barriers to housing in the existing suburban planning documents; reduce parking requirements; and other minor updates to planning regulations. Staff estimate that the provision to allow 4 units per lot has the potential to increase regulatory capacity by approximately 130,000 units over 43,074 parcels.
- **Region-Wide⁴ Changes to Planning Documents:** enabling more flexibility in built form for backyard suites in terms of height and floor area, and exempting certain accessibility features as directed by Council.
- Site-Specific Changes to Planning Documents: Throughout the process staff have continued to receive requests for changes to specific properties. These requests have been recorded and a number of these requests are recommended to be advanced as part of this report:
 - Centre Plan Site-Specific Requests: Approximately 62 sites were identified where the regulatory framework could be adjusted to improve the potential unit yield for a given project in addition to general updates. To evaluate projects, staff assessed the desired change with the overall Centre Plan policy framework and the new direction being established through the Housing Accelerator Fund Amendments.
 - Suburban Plan Area Site-Specific Requests (Opportunity Sites): 42 opportunity sites (including two pre-dating plan amendment applications MPSA 2023-00484 and MPSA-2023-00851) were identified where HAF criteria were met and are included in the proposed amendments. Staff estimate that if these sites advance, they may provide approximately 5,000 housing units.

While it is important to make changes to regulations to enable the long-term supply of housing, there continues to be significant need for the development of deeply affordable and affordable housing to offset the high demand and high costs associated with housing in HRM. Changes to the regulatory environment take many years to be realized. Market-based housing is not well suited to generating housing priced to accommodate those individuals in core housing need⁵.

² The Regional Centre Secondary Municipal Planning Strategy (Centre Plan) applies to the Regional Centre, which is defined as Halifax Peninsula and Dartmouth within the Circumferential Highway.

³ Urban Service Area is defined in Schedule B of the Regional Subdivision By-law and includes area where water,

stormwater and sanitary sewer exist. The boundary is also closely aligned with the Transit Service boundary.

⁴ Region-wide changes include changes to all HRM land use by-law planning documents.

⁵ In the municipality, affordability has fallen since 2016. At least 71% of all couples, 95% of all lone-parent households, and 98% of all single person households earned below the estimated income required to afford the 2022 median sale price of a local dwelling. For rentals, at least 44% of renting couples, 77% of renting lone-parents, and 88% of renting single persons earned below the estimated income required to afford the 2022 median local rents. When a household lives in a dwelling that requires more than 30% of its before-tax household income, is overcrowded, and needs major repairs – and no alternative exists – it is in Core Housing Need. In 2021, about 12% of HRM households (22,540 total) lived in Core Housing Need. Source: <u>final-hrm-municipal-report-clean-23nov28.pdf (halifax.ca)</u>

The changes to planning documents presented in this report represent changes needed to remove barriers to housing that no longer serve the community, to generate regulatory capacity that can facilitate construction of new units at a time of sharp population increase and challenging market conditions. They are aligned with federal, provincial and municipal housing supply goals.

BACKGROUND

Halifax's population has been rapidly increasing over the last several years. Prior to 2016, population had been increasing at approximately a 1% growth rate; however, since then the annual growth rate has doubled to close to 2% each year. The most recent data shows the largest increase yet this past year: growth of approximately 20,000 people or 4.5% from July 2021 to July 2022 with Halifax being the second-fastest growing urban region in the country in 2022, after Moncton, N.B., according to Statistics Canada. This growth is largely fueled by international and interprovincial migration, including international students⁶.

Despite the changes in population growth in the Halifax Region since 2016, the number of new units being constructed has not kept pace with the increase in population. According to the <u>2023 HRM Housing Needs</u> <u>Assessment</u>, the municipality's potential housing shortage (as of the end of 2022) was 17,500 units regardless of tenure⁷. HRM's internal estimate of possible housing shortage at the end of 2023 was approximately 20,000.

Updated Regional Plan population projections for the year 2050 see HRM achieving a population of between 734,275 (moderate scenario) to 1,121,913 (NS Targeted Migration). To respond to the highest level of population growth, and to address the housing shortage, approximately 8,000 units are needed annually to keep up with population growth. In 2023, 5,883 residential permits were issued by the municipality, 4,657 units were started, but only 2,954 were completed according to CMHC data⁸. Larger multi-unit buildings take longer to complete but Halifax is not immune to constraints in new construction across the country, which include labour shortages, elevated costs of materials in the construction sector, as well as higher project financing costs from increased interest rates. However, demand for new rental housing in Halifax continue to be strong due to the sharp population increase and the vacancy rate being at a record low⁹.

Ongoing Planning Efforts to Strengthen Housing and Approvals

In recent years the Municipality has been involved in a number of significant planning reforms that included some of the following:

• **Centre Plan:** Approved in 2019 and 2021 the Centre Plan provided significant new regulatory capacity¹⁰ (estimated at additional 200,000 units by permit) in the Regional Centre along with clear and predictable regulations. Significant housekeeping amendments have also been implemented to improve administration and improve clarity in 2022 and 2023. In 2023 the value of construction permits exceeded the Suburban Area for the first time.

⁶ HRM Planning & Development. May 2023. Updated Population and Housing Issue Paper Regional Plan Review Phase 4.

⁷ Turner Drake, Upland and Colab. 2023. <u>Halifax Regional Municipality Municipal Housing Needs Report</u>.

⁸ Proposed 2024/25 Planning & Development Budget and Business Plan, Council report dated Feb. 13, 2024, Item 7.1. <u>https://www.halifax.ca/city-hall/regional-council/february-13-2024-budget-committee</u>

⁹ CMHC. Spring 2023. Housing Market Outlook.

¹⁰ Regulatory capacity is a tool used to demonstrate the degree of change by assessing the total potential for future development. It assumes all parcels of land redevelop to the maximum potential. While theoretically possible, this is not likely to occur. For this report, in the Centre Plan Area Mixed-Use Zones and Suburban Opportunity Sites, regulatory capacity was estimated based by modelling the maximum average density that can expected under each proposed zone. Recently developed lots, and existing units were subtracted from the calculation. For low-density residential areas, additional regulatory capacity was estimated based new unit permissions (e.g. 4 units per lot) and subtracting the existing number of units on each lot. Which sites develop and when they develop depends on a variety of factors, including the viability and design of each project, the actions of individual landowners, market conditions, and site conditions.

- Regional Plan Review: Regional Council initiated the Regional Plan Review in February 2020. Previous deliverables included the <u>Themes & Directions Report</u>, the <u>Themes & Directions What</u> <u>We Heard Report</u>, and <u>Phase 3 Quick Adjustments</u> in October 2022. In June 2023, the <u>Draft</u> <u>Regional Plan</u> was released for public engagement, and the "What We Heard Report" was presented to Council on December 12, 2023.
- Suburban Planning: In July 2023, Regional Council approved the initiation of the <u>Suburban Plan</u>, using the Regional Plan Review Phase 4 engagement program as the initial public participation program. Council directed that site-specific amendments to Municipal Planning Strategies in the Suburban Area be considered through the Suburban Plan process, but the HAF process provided an opportunity to address some of those sites more comprehensively as part of enabling additional density near transit, and supporting affordable housing projects.
- **Planned Growth**: Detailed planning for large sites in the Service Boundary (two Regional Plan Opportunity Sites, four Centre Plan Future Growth Nodes, the Cogswell District, two Provincial Special Planning Areas, and three other projects) are underway to consider up to 50,000 new units. Studies for three Future Serviced Communities and the Westphal (Akoma) sites have the potential to add approximately 41,000 units.
- Affordable Housing Workplan: Regional Council has initiated a number of <u>initiatives to support</u> affordable housing. The Municipality was a founding partner of the Housing and Homelessness Partnership in 2013 and its 2018 Affordable Housing Workplan, and a Municipal 5-year strategic plan focused on maintaining and creating affordable housing in HRM and fostering a strong housing sector. An updated workplan is one of the required HAF deliverables.

Provincial Role in Housing

The current housing crisis has been highlighted in numerous reports, including the Province of Nova Scotia <u>"Our Homes, Actions for Housing, A Five Year Action Plan"</u>. The Provincial government has also been playing an increased role in planning and in housing over the past two years with a series of amendments to the HRM Charter, focused on removing regulatory barriers to housing and expediting approvals. On November 9, 2023 the Province of Nova Scotia approved changes to HRM Charter (Bill 329) that provide the Minister of Municipal Affairs and Housing increased control over planning and development in HRM.

Housing Accelerator Program

The Housing Accelerator Fund (HAF) is a new federal program administered by the Canada Mortgage and Housing Corporation (CMHC) to incentivize and support initiatives that accelerate the supply of housing. HRM's application for approximately \$79 million in funding was approved last year, contingent upon HRM achieving it's HAF initiatives and building permit targets over the next two-three years.

To secure the approval for the HAF Regional Council initiated a series of planning document amendments in their <u>September 26th Regional Council meeting</u> as a result of correspondence received from the Minister on September 21, 2024 (Attachment A1). These were supported by the Minister of Infrastructure, Communities and Housing in his letter dated <u>October 4, 2023</u> (Attachment A1) and are one of the required initiatives under the Municipality's agreement with CMHC. As part of ongoing work on housing challenges, and Regional Council's direction passed on <u>July 11, 2023</u> this report proposes amendments to all planning documents with a focus on the Regional Centre and the Urban Service Area to implement Regional Council's commitments under the Municipal Halifax Housing Fund Accelerator, and additional changes to add new housing supply and streamline some approval processes.

On October 12, 2023 the Municipality reached agreement with the Government of Canada for \$79M under the federal <u>Housing Accelerator Fund</u> (HAF), which commits the Municipality to initiatives that can create additional 2,600 housing permits within the next three years. Some of the key HRM initiatives related to planning documents and processes included:

- Facilitate non-residential to residential conversions;
- Encourage development along rapid transit corridors;
- Expedite heritage development agreements; and
- Program for small scale residential construction.

The federal approval was based on Council being able to address most of the requests outlined in the September 21, 2023 Ministerial Letter (Attachment A1) including:

- Enabling 4 units per lot as-of-right, city wide;
- Enabling 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.

Council motion made on September 26, 2023 directed staff to consider a more nuanced, "made in Halifax plan" based on local context to achieve even bolder missing middle housing, but included additional direction to review density around university housing and transit corridors before the end of 2023 (see Mayor's response to the Minister in Attachment A2) and acknowledged by the Minister of Infrastructure, Housing and Communities in his letter dated <u>October 4, 2023</u>, as follows:

- Increase height in Established Residential 3 Zones;
- Increase height in Higher Order Residential and Corridor Zones;
- Increase height and Floor Area Ratio (FAR) increases in Centre Zones;
- Increase density near universities;
- Remove more minimum parking requirements;
- Increase as-of-right development approvals;
- Work with the Province to enable unilateral discharge of DA.

Related Council motions that have bearing on this report are also included in the origin section of this report.

Jurisdictional Scan

There is an extensive and growing number of jurisdictions in Canada and the US that have intentionally removed barriers to housing while supporting sustainable and more complete communities, in particular missing middle housing which is housing that fills the gap between single unit dwellings and high-density dwellings (see Attachment A3). More gentle density and missing middle housing in neighbourhoods within a walking distance from transit has many benefits including:

- Maintaining walkable, human-scale streetscapes and a sense of community;
- Creating a more equitable approach to growth while helping meet the diverse needs of a diverse population;
- Supporting investments in the transit system, making the system more economically viable;
- Reducing car-dependency and transportation-related greenhouse gas emissions;
- Allowing people to stay in their homes longer by creating rental income, or creating flexibility to downsize to the additional units and rent the primary residence;
- Lower financial risk related to development and opportunity for smaller developers to invest in creating housing solutions;
- Less development impact on neighbourhoods than from higher density developments;
- Providing valuable access to services such as schools, libraries and hospitals.

There are 179 jurisdictions across Canada, including Halifax, that have committed to the Housing Accelerator Fund (HAF) program, although not all agreements have been finalized yet. Common themes being explored across the country as part of the HAF include:

- Ending exclusionary zoning by allowing a minimum of 4 units on a lot in serviced areas;
- Increasing density in key areas, such as along transit corridors and near post-secondary institutions;

- Reducing or eliminating parking requirements; and
- Streamlining the permitting process and reducing regulatory barriers to building housing.

There are many other jurisdictions in Canada and the U.S. that have implemented similar changes. Experience from these jurisdictions shows that the pace of change in established neighbourhoods is quite slow, even with extra density being enabled. For instance, Minneapolis, MN made a change to 4 units on a lot in 2020. By 2023, permits associated with increased density in these residential neighbourhoods accounted for approximately 1% of new permits. Although change is incremental, zoning changes of this scale are still important to increase the housing stock over the long term.

The proposed changes reflect the changing attitudes and approach towards urban planning. While broadly allowing 4 units on a lot in traditional single-family dwelling neighbourhoods may have been considered innovative or even radical 5 to 10 years ago, this approach is progressively becoming more accepted and is essentially becoming standard practice. It is expected that this approach will be adopted more widely across Canada, especially as most of the 179 Canadian jurisdictions that have committed to the HAF are generally exploring the same common approaches. The escalating cost of single unit homes across the country is particularly being felt by first time home buyers, and shared mortgages or leases are becoming more common among younger households. The HAF process provides an opportunity for Halifax to lead the country once again in planning reform, with an approach tailored to the local context.

COMMUNITY ENGAGEMENT

As recommended to Regional Council, engagement on the HAF Urgent Changes to Planning documents were compressed and an effort was made to use feedback from recent engagement conducted as part of the Regional Plan review and early Suburban Planning. This included information on areas of suburban intensification and permitting more units on low-density residential lots. The results of this engagement were presented to Regional Council on <u>December 12th, 2023</u>, and the feedback included significant focus on housing, the need for urgent action, and for expediting the Suburban Planning process.

Between October and January staff prepared a list of proposed amendments to planning documents to address the key municipal initiatives under HAF, related Council motions and a number of Suburban Opportunity sites based on development requests received though the Suburban Planning process, or earlier MPS amendment applications. These were shared with the public through the <u>HAF/Urgent</u> <u>Proposed Changes to Planning Documents</u> website, interactive map, and a short video as discussed in the Community engagement section of this report. The initial proposal generally included the following key policy moves:

- Gentle Density and Missing Middle Housing: allow a minimum of four units on low-rise residential lots in the Urban Service Area (Regional Centre and Suburban Area), including by applying the ER-3 Zone broadly in the Established Residential Designation with up to 8 units per lot, and in the Suburban Area allowing up to 4 units per lot in all low-density zones;
- **Student Housing:** Enable More Mid-Rise and High-Rise Housing near post-secondary institutions, including over some lands currently zoned for ER-1 and ER-2;
- **Transit-Oriented Housing:** In the Regional Centre allow more housing on transit by increasing density (height or FAR) on proposed BRT lines, increasing max, height limit to 40 storeys in most Centres from 90 m in areas regulated by FAR, and providing built form flexibility;
- **Maintain Heritage Properties and Areas:** maintaining lower zoning and height on registered heritage properties, approved Heritage Conservation Districts (HCDs), and proposed HCD Study Areas, and expand some proposed HCDs;
- **Support Office Conversions for Housing:** providing some minor exemptions for office to residential conversions;
- Incentivize Wood and Timber Construction: changing how maximum height is regulated from metres to storeys in primarily residential and mixed-use areas;
- **Remove/ reduce parking requirements (Regional Centre and Suburban Area):** further remove parking requirements for residential uses in the Centre Plan area (HR-1 and HR-2 Zones), and in

suburban areas remove parking requirements for low-density units, and reduce requirements for multi-unit residential units to 0.33 per unit ;

- **Support Non-Market Housing (Regional Centre):** exempt non-profit housing from bonus zoning requirements and provide more flexibility to accept land or units in Future Growth Nodes;
- **Built Form Flexibility (Regional Centre):** provide for additional built form flexibility to support more housing such as for tall mid-rise buildings and high-rise buildings.
- Enable Suburban Opportunity Sites: provide modern zoning for about 33 opportunity sites that met initial HAF criteria and were presented for public feedback; and
- **Backyard Suites:** provide more built form flexibility for backyard suites in all planning documents (include rural areas), and address accessibility.

As part of the HAF process staff completed additional engagement with the development and design community focused on barriers to housing and ways to support wood and timber construction. Staff also met with the Halifax Higher Education Partnership (HHEP) chaired by the Mayor. While in the Centre Plan area the contemplated changes were more holistic in scope, feedback from development staff, interested parties, and property owners were considered as part of the process for both the Regional Centre and the Suburban Area (see *What We Heard Report*, Attachment A8).

Engagement Methods

Information on some of the proposed changes related to the HAF were shared during the Regional Plan review consultation, with a more focused information campaign between January 17 and February 16, 2024 on the <u>www.halifax.ca/haf</u> website which included key background, proposed changes, and an interactive map. Public meetings were not part of the process based, but staff were available for e-mails, phone calls, and small meetings. The information campaign included:

- Paid digital campaign on Facebook and Instagram
- Google display ad campaign
- Organic digital campaign for Facebook, Instagram, X (formerly Twitter), LinkedIn, homepage card, digital screen network, and library screen network
- Email to Councillor Support Office with campaign details
- Updating the 311 knowledge base
- Staff meetings with residents, community groups, institutions, and architects/designers based on requests.

Engagement Results

The results showed that the ads reached a broad number of people as indicated in impressions from paid social media ads (over 130,000), HAF video views (nearly 6,700) and website views (10,741 of which 7,291 were unique views and over 5,000 were new users).

Approximately 700 total pieces of correspondence were received by staff during the engagement period, including 5 petitions. Key themes are summarized below, and more detail is included in the *What We Heard Report*, including submissions (Attachment A8). There were both broad feedback themes, as well as a significant number of correspondences related to changes for a small number of local areas.

Engagement Feedback

There were both negative and positive comments received on the proposed HAF changes. Key engagement themes can be summarized in terms of concerns about local changes proposed, the engagement process, other concerns and comments supportive of the HAF process.

Local Proposed Changes

Over half of the correspondence received on the HAF was specific to a proposed change in a certain neighbourhood or street. Residents shared that they notified others in the area about the changes through social media or canvassed the neighbourhood and encouraged others to submit feedback, often using shared email templates or petitions. The three primary areas of local feedback included:

- South End Halifax (District 7) where new mid-rise and high-rise density was initially proposed in areas near post-secondary institutions that were zoned as ER-2 or ER-1 under the current Centre Plan. Approximately 170 e-mails were received on this topic, and staff met with several small groups of residents to understand their concerns. Three letters were signed by multiple residents: residents living in the area around Saint Mary's University and Dalhousie University such as Rogers Drive, Gorsebrook Ave, Marlborough Ave, Robie St, Lindola Place, Ivanhoe Street, Bridges Street, Atlantic St, Roxton Rd, Harrington Dr, Tower Rd, Young Ave, Oakland Rd, Dalhousie St. (116 signatures), Conrose neighbourhood (80 signatures) and Dalhousie/Oakland Rd (29 signatures).
- **Brightwood Neighbourhood (District 5)** where the Victoria Road Corridor was proposed to be expanded between Frances Street and Cherry Drive and the overall height for the corridor was proposed to be increased from 5 storeys to 7 storeys. Approximately 74 e-mails were received on this topic.
- Sherwood Drive Opportunity Site (District 4): Approximately 45 e-mails were received from residents concerned about changes to zoning that would enable a provincial land for housing site.
- **Clayton Park/Bedford:** There were two petitions tabled by Councillor Stoddard at the Feb. 13, 2024 Council meeting primarily from Wedgewood Park and neighbouring communities. The first petition was about the proposed 4 units on a lot (192 signatures), and the second petition was with regard to the site specific proposal SS027 (155 signatures).

Other Concerns

- **Community Character:** General feedback from a variety of low-density neighbourhoods across the Regional Centre and Suburban areas that the community character of a neighbourhood will be negatively impacted if any changes occur. This is commonly cited as a concern about permitting 4-units on a lot in the suburban area, ER-3 zoning in the Regional Centre, and increasing zoning along transit corridors. There is sometimes a perception that only single-unit houses are 'family homes' and other types of dwellings are not options for families. Concerns that existing residents' quality of life will be reduced by increased noise and less privacy.
- Lack of Infrastructure: A commonly cited concern is a lack of infrastructure. This included physical infrastructure such as roads, as well as services like healthcare and schools, and some concerns that removing the parking minimums will lead to developers opting not to provide parking, resulting in an increase in street parking on narrow residential streets.
- Community Engagement: Confusion and at times anger that the HAF changes are proposed to
 move forward so quickly. Many residents have become accustomed to more extensive public
 engagement on planning issues in their communities and expect opportunities to outright reject
 proposals involving increased density or height. Some feedback indicated that the changes were
 not publicized sufficiently, and they have not had time to fully understand the scope of the changes.
 Some residents do not realize the full scope of the housing crisis in HRM and have not been
 following news in the media about the Housing Accelerator Fund.

HAF Supportive Feedback

- **General support for changes:** Apart from feedback on the three local areas highlighted above, correspondence generally expressed curiosity or positive feedback, with just over half of submissions expressing support for the changes, interest in the process, or requesting that a specific property be included in changes for more density or height.
- **More housing:** Positive reactions from developers, design community, landlords, homeowners, and property owners who are optimistic the changes will help them build more housing, add units to existing buildings, or help counteract increased development costs.
- **Transit Oriented Housing:** Those who supported the HAF proposal emphasized their support for increased density near transit corridors, increasing the housing supply to help address the housing crisis, and creating more mixed-use, diverse, and vibrant neighbourhoods.
- **Moderate housing costs:** There was some excitement that these changes will help moderate or lower housing costs and provide more options for residents. The housing crisis is front of mind for many residents who submitted feedback. Support was received for unlocking more housing in some of the most walkable, transit-accessible, and amenity-rich areas.

- Gentle Density & Missing Middle: There was a strong support for increasing gentle density and
 missing middle housing. Even some residents who expressed concerns about higher-density zones
 added that they wouldn't mind seeing more townhouses, duplexes, and secondary suites in their
 neighborhoods;
- **More Compact Development:** HAF was seen by some as a great step to move away from urban sprawl, help protect the environment and improve the city's tax base. Some residents want HAF proposals to go even further to increase density, height, unit count, etc.

Feedback from architects and designers

Staff also met with local architects and design professionals over two days in mid-January. These sessions provided feedback on the performance of Centre Plan regulations and identified many regulatory barriers to building more housing. Several suggestions raised by these professionals are included in the proposed amendment package, such as changing height measurements from metres to storeys in high-density residential zones, increasing maximum tower dimensions, reducing the streetwall stepback from 2.5 m to 2 m for mid-rise construction, and relaxing streetwall requirements for wood-frame construction. Staff will continue to work with these professionals in the future and will continue to look for ways to streamline processes, reduce regulatory barriers, while maintaining the core concepts and important planning principles described in the Centre Plan in a largely as-right framework.

Evaluation of feedback

When evaluating changes to the initial proposal staff generally considered the key guiding policies and principles of the Regional Plan and Centre Plan, additional information and analysis from research, internal reviewers, interested parties, and community feedback. A small number of new issues were also brought to staff's attention, such as the impact of increasing maximum heights in areas in the path of Emergency Health Services helicopter flights and some concurrent strategic planning process.

A comparison table of the proposed changes is available in Attachment A4. The table provides an overview of the proposed changes, and highlights areas where staff are proposing a new approach based on staff analysis and feedback. An overview of the final recommended approach is provided in the Discussion section below.

DISCUSSION

This section of the report outlined the key proposed changes included in this report, including changes to Regional Centre, Suburban Area, and Rural Area as presented in Attachments B01 - E09. Some of the changes are explained in more detail in attachments A1 - A8.

1. Changes to Centre Plan Document

This section of the report provides an explanation for the key proposed changes to planning policies and regulations in the Regional Centre SMPS & LUB. While Attachment A4 provides a comparison between the initial and revised proposal, this section focuses on the staff recommended approach.

1.1 Established Residential Areas

The Established Residential Designation, which includes areas traditionally occupied by low-density residential dwellings and makes up a substantial portion of the Regional Centre land base (over 30%). The current ER-1, ER-2, and ER-3 zones are generally applied based on the planning framework that existed prior to Centre Plan with minor changes, except the ER-3 zone was developed to support more housing on transit corridors. Nearly all ER lands are within a 400 m walkshed from transit corridor routes (1-10) or proposed Rapid Transit routes, leaving little rationale for 3 zones, with most having the best access to transit, services and employment nodes but with Halifax being one of the most historic cities in Canada, many contain registered heritage properties, supporting heritage resources, existing as well as proposed heritage conservation districts and streetscapes. The proposed changes include:

- Replacing the ER-1 zone over registered heritage properties and proposed heritage districts with the ER-2 Zone, and applying the ER-3 zone on all other lands in the Established Residential Designation with additional zone changes;
 - Amending the ER-2 Zone to permit 2 unit dwellings, backyard suites, rear additions, and internal conversions with no limit on units and no bedroom counts, max. height of between 8 m 11 m, and max. building dimensions of 20 m wide and 30 m deep;
- Applying the ER-3 zone where ER-2 zone is not applied, and amending the ER-3 Zone as follows:
 - o 4 units per lot plus a backyard suite, up to 8 units per lot based on lot size;
 - o removing bedroom limits other than for small shared housing;
 - adding built form and design controls for small multi-unit dwellings to support integration in the neighbourhoods:
 - maintaining 11 metre max. height, but adding a 3 metre exemption for a pitched roof or attic unit;
 - increasing lot coverage for dwellings that are not single-unit dwellings;
 - max. building dimension of 20 m wide, and 30 m deep (approx. 2 lots wide);
 - no minimum parking required for any residential development, but if provided by multi-unit dwellings (5+ units) must be located in the rear yard;
 - fenestration (window) minimums and articulation standards for walls facing the street
 - garbage screening (applies to 4+ units); and
 - street-oriented unit entrances.
- The Cluster Housing Zone (CH-1 and CH-2) is amended to permit 6 units per block (an increase from 4), and adding a 3-metre addition height for peaked roof or attic unit;
- Minor adjustments to the boundaries of Established Residential Special Areas to provide flexibility.

1.2 Enabling More Housing in Heritage Contexts (for Heritage Advisory Committee recommendation)

Halifax is one of the most historic cities in Canada, and Regional Plan and Centre Plan policies aim to balance growth with the maintenance and protection of heritage assets which includes registered heritage properties, supporting heritage resources, heritage streetscapes and landscapes of cultural significance. The Heritage Advisory Committee advises Regional Council on matters relating to heritage buildings and streetscapes.

The Centre Plan policy framework provides lower as-of-right density on registered heritage properties and proposed heritage conservation districts but supports internal conversions and rear yard additions under the ER-1 Zone and the approved Schmidtville Heritage Conservation District has been approved under the NS Heritage Property Act, and already provides for internal conversions up to 10 units. The following changes are proposed to meet increased housing objectives while maintaining incentives for heritage preservation and allowing for future heritage processes:

- The heritage development agreement process is available to all registered heritage properties and can provide additional land use permissions;
- Change zoning from ER-1 to ER-2 on registered heritage properties and in proposed heritage conservation districts, allowing an increase from one unit to two units per lot plus a secondary suite and a backyard suite (see proposed changes to the ER-2 Zone in Section 1.1 above);
- A minor change to Policy CHR-7 is proposed to allow an option for a heritage development agreement policy to the Downtown Halifax (DH) Zone;
- A change to Policy IM-42 for the Spring Garden Robie Street (SGRRS) Special Area¹¹ to provide the lands an option to proceed under a heritage development agreement, in addition to as-of-right or Robie Street Special Area specific development agreement criteria to ensure that development can proceed in a timely manner; and

¹¹ Originally considered as Case 20761: Amendments to the Halifax Municipal Planning Strategy and Land Use Bylaw for Halifax Peninsula for lands fronting Robie Street, College Street, and Carlton Street, Halifax.

- Proposed expansion to 3 of the proposed HCDs as identified on Att. C-1, amendments to Table 4 and Map 20, and the addition of three new HCDs based on previous HAC deliberations and heritage staff recommendations:
 - o Boundary expansion: Downtown Dartmouth, Five Corners, and Oakland Road
 - New proposed HCDs: Flower Streets and Ropeworks, Dartmouth and Jubilee Road in Halifax.

1.3 Increased Density & Height Close to Transit

Successful transit service relies on minimum densities to support ridership. In addition to the ER-3 Zone changes, additional housing close to transit in areas designated for growth can help lower household transportation costs. Increased density is proposed through the following changes:

- Expanding the depth and length of some Corridor Zoning, increasing maximum heights on proposed Rapid Transit Routes;
- General increases to FAR and increases to max. height in CEN-2 zoned to 40 storeys from a
 previous max. of 90 m (33 storeys). A maximum height in Centres is recommended to be
 maintained to provide a realist expectation of development, alignment with FAR and to encourage
 sites to be "filled in" rather than maintaining vacant lands that are not conducive to the pedestrian
 realm. However, 90 m height in centres is proposed to be maintained where existing or proposed
 heritage development agreements are enabled, and in areas indicated by NS Emergency Health
 Services that may impact emergency helicopter flights subject to additional analysis and
 cooperation with other levels of government;
- As part of a holistic review a number of site-specific changes (see Attachment A6) were considered to align with Centre Plan policy objectives and the objectives of the Housing Accelerator Fund (e.g. minor changes to height or density), including for two existing development agreements approved under policies in effect prior to Centre Plan (Policy IM.33.5);
- New Fenwick Centre and Woodside Future Growth Node added to support additional housing near transit and universities;
- New permission to allow multi-unit dwellings in the Institutional Zone (INS) in conjunction with a main institutional use, except for landmark building sites which can already convert to residential; and
- Additional built form flexibility for mid-rise, tall mid-rise and high-rise buildings is being recommended.

1.4 Increased density for student housing

The Association of Atlantic Universities reported in October, 2023 that there were over 14,500 international students in Nova Scotia and that Halifax's six universities had 6,700 international students, with the majority enrolled at Dalhousie, followed by Saint Mary's University. Even with recently announced caps on international students and plans by universities to get back to building student housing, student housing has always been a big part of Halifax's housing spectrum. While the initial HAF proposal did not include student housing, the Minister's letter asked for consideration of adding more options for housing within a walking distance from post-secondary institutions. While some of the original upzoning has been modified based on community feedback, short engagement process, and additional staff review, the proposed changes include:

- Apply the ER-3 Zone broadly in low-density areas near universities and colleges;
- Rezone some areas to the Higher Order Residential Zoning, and increase heights near postsecondary institutions;
- Increase max. permitted heights on two select vacant lands on the Dalhousie Studley and Sexton Campus based on request and new plans to build student housing and change policy to allow UC-2 zone to reach 90 m maximum height.

Staff will continue to work with post-secondary institutions as it relates to providing more student housing on campus.

1.5 Built Form and Parking

Parking and built form requirements can add to the cost of housing, but additional flexibility must be considered in the context of overall goals of the Regional Plan and the Centre Plan for a human-scaled and pedestrian oriented community design. Market conditions and emerging technologies can provide a reasonable requirement for minor changes in policies and regulations to support innovation and more housing. For example, measuring height in storeys in residential areas can help diversify construction methods, which is currently almost exclusively concrete. The demand for concrete form workers is currently a major driver to increased costs and time associated with new construction. Switching to storeys will allow for more diversity in building materials. Experience has shown that even with removing minimum parking requirements, the vast majority of developers still provide on-site parking, even if they are not required. The HAF housing goals are supported through the following changes:

- Measure height in storeys, as opposed to metres in residential mixed-use areas to enable different forms of construction (e.g. wood-frame). Controls are recommended to ensure that loft-style developments are accounted for accordingly to not be exceedingly tall. This change is not recommended for institutional and industrial zones at this time as the height of storeys can be much less predictable;
- Permit the tall mid-rise built form to go up to 30 m from 26 m to enable more units;
- Change to tower dimensions for high-rise built form (over 10 storeys in height) from 750 square metres, to an average floor plate of 900 squares and a max. dimension of 35 m x 40 m. This will enable another 2 to 3 units per floor in high-rise developments with minimal impact;
- Eliminate any remaining parking requirements for residential uses;
- Allow residential buildings using wood construction in HR zones to have a streetwall exemption of up to 6 storeys (currently 4 storeys);
- Apply max. setbacks in Downtown and Centre zones as directed by Council;

1.6 Regional Centre - Additional opportunities

The Municipality is committed to ongoing updates and comprehensive reviews of Centre Plan documents, which are working under streamlined approval processes. If chronic housing shortages persist and rapid population growth continues, the Municipality may need to revisit ways to enable more density in key areas, such as along corridors, growth centres, future growth nodes, and other key areas. While staff recognize that the HAF process had a condensed timeline with, work in the future would allow for a more comprehensive public engagement plan that would allow more community involvement in the development of regulations.

2 – Changes to Suburban Area Planning Documents

This section of the report provides an explanation for the key proposed changes to planning policies and regulations to planning documents in the Urban Service area outside of the Regional Centre. While Attachment A4 provides a comparison between the initial and revised proposal, this section focuses on the staff recommended approach.

2.1 Four Units Permitted on any Fully Serviced Residential Lot

The Plans and By-laws in the municipality's Suburban Area include a significant number of zones that permit only single detached or other low density residential uses (such as semi-detached and duplex uses). In recent years, the municipality has adopted additional options for introducing gentle density in these areas, including permitting secondary suites, backyard suites and shared housing in all residential zones. To provide additional flexibility for gentle density in areas where water, wastewater and transit services exist, and in response to the municipality's commitments under the HAF, staff are proposing to amend all low-density residential zones in the Urban Service Boundary to permit four units per lot. The proposed changed include:

- Permit up 4 units per lot including a backyard suite, but not townhouses unless they are already permitted in a zone, and maintain all other zone requirements;
- To implement 4 units per lot, new policies are introduced restrictive policies are repealed such as mandating 70:30 ratio of single unit dwellings to higher density dwellings in developments or allowing developments over 3 units to only proceed by development agreement as is the case in the Dartmouth Land Use By-law.
- To help provide a path for backyard suites or additional units in an area of Clayton Park zoned as "Schedule K" for development agreement policies but which do not have underlying zoning, staff are also recommending that Council adopt underlying zoning as identified in Attachment D12 – Schedule K (see more information below).

It is important to note that these proposed amendments do not apply to the new Community of Beechville boundary and lands recently zoned as the Beechville Comprehensive Development District. This exception is proposed to respect the ongoing community planning process with the African Nova Scotian community, as requested by the Beechville Community Development Association (see Attachment A-8, Corr. # C557).

2.2 Reduced Parking Requirements for Multi-Unit Developments

The Plans and By-laws guiding development in the Suburban Area generally require a minimum of 1.5 parking spaces per dwelling unit for residential developments. This requirement reflects an assumption that single occupancy vehicles are the primary mobility option for residents in these areas and add to construction costs. To reflect the goals of the HAF and the Integrated Mobility Priority Plan, the proposed changes include:

• Reducing parking requirements for multi-unit dwellings to 1 parking stall per 3 units to provide flexibility, allowing property owners to determine the level of parking they will provide based on market demand and financing requirements.

2.3 Modernizing Existing Plans and By-Laws in the Suburban Area

Additional changes are proposed to the existing plans and by-laws in the Suburban Area to reduce barriers to the development of housing.

Bedford (Attachment D03 & D04)

- Remove requirement for a Development Permit for the construction of a fence. This is being proposed to be consistent with the requirements of the municipality's other plans and by-laws and reduce unnecessary process.
- Permit an accessory structure on a lot that directly abuts the lot with the main building. This is being proposed to be consistent with the requirements of the municipality's other plans and by-laws and reduce barriers to the establishment of accessory backyard suites.

Clayton Park/Bedford South (Attachment D12)

- Repeal the "Schedule K" zone from the Halifax Mainland LUB zone and replace with zones established in the LUB that reflect the existing development of the lands (See Attachment D12 Schedule K). This zone dates back to over 45 years at a time when large vacant areas of Clayton Park and Bedford were being developed through a development agreement process. The areas have now been developed but no underlying zoning has been applied to date.
- This is being proposed as a first step to address challenges associated with the Schedule K zone that require even minor changes to proceed through a Development Agreement.
- The proposed amendments will not impact or remove existing DAs in the Schedule K area.
- The introduction of underlying zones will allow properties that are currently zoned Schedule K but have already discharged their DA and cannot make any changes to their property to access the expanded development rights discussed above. This is being proposed to meet HAF goal of allowing up to 4 units per lot, including backyard suites.
- Properties with existing DAs may consider any non-substantive amendments that rely on "underlying zoning" requirements.

Dartmouth (Attachment D07 & D08)

- Permit multi-unit residential development, subject to as-of-right regulations, in the R-3 and R-4 zone without requiring the property owner to enter into a development agreement. This is being proposed to reduce the time and cost associated with applying for this type of development in Dartmouth and to be consistent with the requirements of the municipality's other plans and by-laws. This amendment will also establish clear expectations around the type and size of development permitted in the R-3 zone, including:
 - Introducing a maximum building height of 40 feet;
 - o Introducing a required unit mix of 25% of all units having 2 bedrooms or more in a unit; and
 - Increasing the maximum lot coverage from 25% to 50%.
- Permit an existing building to be expanded if it existed by July 1, 2024, even if the building does not satisfy lot area, lot frontage, lot dimensions, setbacks, separation distances, and watercourse buffer if the encroachment is not increased. This is being proposed to be consistent with the requirements of the municipality's other plans and by-laws and reduce barriers to the development of existing serviced properties.
- Permit an accessory structure on a lot that directly abuts the lot with the main building. This is being proposed to be consistent with the requirements of the municipality's other plans and by-laws and reduce barriers to the establishment of accessory backyard suites.
- Establish a front setback of 15 feet in all residential zones (except in areas where area specific planning has taken place). This is being proposed to establish consistent and predictable regulations for development.
- To address site specific request SS040, other similar requests and comments on the Main Street Plan, update regulations for the Main Street area to reduce setbacks and increase heights for properties on the north side of Main Street between Major Street and Mountain Avenue to 45 metres (approximately 12 storeys). This is being proposed to encourage development in this area, which was recently subject to a comprehensive planning process to enhance development.

Eastern Passage (Attachments D09 and D10)

Amend the C-2 zone to permit up to 12 units, increase maximum building height from 35 feet to 46 feet, reduce the rear yard setback from 40 feet to 20 feet and establish a maximum gross floor area of 15,000 square feet to provide feasibility of development and to address a site specific plan amendment application originating in 2022.

Spryfield (Attachments D15 and D16)

• Allow a lot to be developed if it was subdivided by August 1, 1987, even if the lot does not meet lot area, lot frontage, or lot dimension requirements, if the lot has access to a right-of-way.

Sackville (Attachments D19 and D20)

• Enabling 4 units per lot and removing policies that would prevent 4 units per lot or stacked townhouse developments.

3 – Region-Wide changes to Planning Documents

This section of the report provides a summary of a limited number of changes to the Regional Plan and Regional Subdivision By-law.

3.1 Region-wide Changes for Backyard Suites¹²

To address previous Council direction, all planning documents are being amended to provide for more flexibility and to address safety and accessibility for backyard suites as follows:

• exempt an enclosed or internal staircase or elevator leading to a dwelling unit in an accessory structure from the maximum gross floor area;

¹² This excludes the African Nova Scotian Community of Beechville where a planning process is currently underway.

- a secondary/backyard suite shall be permitted accessory to a non-conforming structure for residential use, except where no residential uses are permitted in the zone
- a backyard suite shall have unobstructed access that connects the suite to a street or private road, is located on the same lot, and has a minimum width of 1.1 metres; and
- a non-conforming accessory building may be converted to a backyard suite if the gross floor area of the backyard suite does not exceed 1000 square feet or 93 square metres, except in the Beechville area as requested by the Beechville Community Development Association.

3.2 Changes to Subdivision By-law

Minor changes to the Regional Subdivision By-law are also proposed as follows:

- Sections 32 and 32A which contained requirements for minimum lot and frontage ranges for the Dartmouth LUB are repealed for the following reasons:
 - (a) lot area is already specified in each zone in Dartmouth LUB (R-1, R-2, R-3, and R-4), so the section was redundant; and
 - (b) lot frontage is repealed from the Regional Subdivision By-law, but the same wording is now transferred into the Dartmouth LUB for each zone (R-1, R-2, R-3).
- Schedule B is amended by expanding the Urban Service Area boundary onto the entire property of PID 40198145 on First Lake Drive, Lower Sackville. Service boundary exemptions are typically handled by the Regional Plan review. In this case the change is minor and of housekeeping nature to address a site specific request related to an affordable housing proposal (SS094, Attachment A7).

4 – Site Specific Changes to Planning Documents

This section of the report provides a summary of site specific request and how they were considered and addressed in the overall package of amendments. More detail is included in Attachments A6 and A7.

4.1 Regional Centre Site-Specific Requests

Approximately 127 site-specific requests were received as part of the engagement process. These requests generally represent property owners seeking more height, density, or built-form flexibility on their property. Any changes received were reviewed holistically, against the policies in Centre Plan as proposed. Several of these are being recommended to proceed as part of the HAF amendments:

- Attachment A6, Table A6-1 includes a list of nearly 64 site-specific requests in the Regional Centre that are addressed through this report, either fully or partially, or where the objective can be met by another tool such as a heritage development agreement;
- Attachment A6, Table A6-2 includes a list of 63 site-specific requests in the Regional Centre that are not recommended to be advanced through HAF because they are not aligned with Centre Plan policy and HAF, and some of which could be considered in future reviews of the Centre Plan or as individual processes. In some instances this table includes requests that received minor zoning change, but not to the extent requested.

4.2 Suburban Areas Site-Specific Requests (Opportunity Sites)

As part of the initiation of the Suburban Planning process on <u>July 11, 2023</u>, Regional Council passed a motion directing any new requests for site-specific amendments to Municipal Planning Strategies be considered through the Suburban Planning process. Additional requests continued to be received up to the public release of the proposed HAF changes.

To accelerate the response to enable housing quickly, a series of amendments to enable opportunity sites in the suburban areas have been considered as part of the HAF amendments. To help evaluate which opportunity sites should be considered, the following criteria were applied:

- The site must be smaller than 2 hectares.
 - The proposal must meet at least one of the following:
 - Be located within 800 metres of a proposed Rapid Transit route.
 - Be located within 1200 metres of a proposed Rapid Transit terminal.
 - Be located within 800 metres of a post-secondary institution campus; or
 - Be a site identified by the Provincial Lands for Housing Program or an affordable housing project by a registered non-profit.
- The proposal must not result in the demolition of an existing multi-unit dwelling (three units or more).
- The site must not be located within a coastal or watercourse setback.

At the time of publishing of the Housing Accelerator Fund page on halifax.ca on Jan. 17, 2024, the municipality had received 111 site specific development requests for consideration through the Suburban Planning process. Of these requests, 36 met the criteria and were initially potentially recommended to proceed as part of HAF community engagement process.

During the HAF public engagement process, an additional 92 site specific development requests were submitted to the municipality asking to be considered as HAF or Suburban Area Opportunity Sites¹³. Staff did not expect to receive such a high volume of requests (92) and based on the volume and HAF timelines, did not feel comfortable including new sites in the package unless they were requests for affordable housing projects or were aligned with MPS amendment files that have been initiated by Council before the initiation of the Suburban Plan and were included in the package. Following additional review, a total of 43 sites are being recommended.

To implement this change, this report includes the following:

- Where possible, address the recommended sites through minor changes to existing plans and bylaws, or where appropriate development agreement policies;
- Remove most recommended sites from their existing Plan Areas and to include them in the new Suburban Housing Accelerator Plan SMPS and Land Use By-law. The new proposed Plan and By-law establish a standard Housing Accelerator (HA) Zone, generally based on the Centre Plan HR-1 or HR-2 Zone;
- Maximum permitted heights are mapped and vary based on the sites' size, location and context and range from 3 storeys to 14 storeys;
- The HA Zone (see HA Zone Fact Sheet in Att. A5) includes requirements related to setbacks, step backs, streetwall heights, landscaping, articulation, parking, wind assessment, and transitions to low-density areas such as a setback and a landscaped buffer or screening etc.
- Because all of the sites were initiated as site specific requests or applications to amend the local MPS to enable development, to comply with Regional Plan policies in Interim Bonus Zoning in the Suburban Area, interim bonus zoning requirements are applied under the same policies and calculations as previously approved by Council.

An initial staff review of the new requests received after the launch of public engagement on Jan. 17, 2024 suggests that approximately 33 of the newly requested sites may meet the HAF criteria. Should Council direct staff to do so, these could be considered by Regional Council separately and following the approval of the HAF package. This would allow for additional engagement and further analysis, and that report could be brought back for consideration later this year. While staff are recommending advancing these requests now, preparing another set of amendments is expected to push out the timing of the overall Suburban Planning process. Staff will come back with an updated Suburban Planning Work Plan later this year. Any

¹³ The municipal website did indicate that new requests will be considered through the suburban planning process but staff were open to reviewing the submissions.

request for a site-specific change in the suburban area, received after the date of this report, will be referred to the Suburban Planning process for consideration.

For additional detail please see:

- Attachment A7, Table A7-1 includes a list of 42 site-specific requests in the Suburban Area that were received <u>before</u> January 17 2024, or were two previously initiated MPS amendments, or were a small number of new affordable housing projects <u>and are addressed through this report</u>;
- Attachment A7, Table A7-2 includes a list of 80 site-specific requests in the Suburban Area that were received <u>before</u> January 17 2024 and <u>are not recommended to advance</u> because they do not meet HAF criteria but can be considered through the suburban planning process;
- Attachment A7, Table A7-3 includes a list of 33 site-specific requests in the Suburban Area that were received <u>after</u> January 17 2024, and may meet the Suburban Opportunity Site criteria based on initial staff review. These were not advanced as part of the current package <u>but could be</u> <u>considered through an additional process</u> as outlined in this staff report and recommendation #4;
- Attachment A7, Table A7-4 includes a list of 48 site-specific requests in the Suburban Area that were received <u>after</u> January 17 2024 and are <u>not recommended to advance</u> at this time but can continue to be considered though the suburban planning process.

In addition to the site-specific requests, plan amendment applications initiated by Council prior to Suburban Plan initiation, and have gone through the public engagement process are included in the package with more detail contained in Table A7-1. They include MPSA 2023-00484 (Former Case 24378) Main Ave, Halifax, and MPSA-2023-00851 (Formerly Case 23600: Ridge Valley Road and Cowie Hill Road).¹⁴

Water and Wastewater Infrastructure Impacts

The proposed amendments increase the regulatory capacity for housing units in the Regional Centre, and the Suburban Area. It is important to note that regulatory capacity provided through changes to zoning or applying a new zone to lands, does not guarantee development will occur and it can be challenging to predict the actions of individual property owners, financial capability, and physical and infrastructural limitations of the lands. The goal of modern land use planning is to provide more regulatory capacity than is needed to meet current and projected housing goals.

To estimate the new potential capacity resulting from the proposed changes staff relied on the methodology developed in the *Updated Population and Housing Issue Paper Regional Plan Review Phase 4 (May 2023)*. Based on the model, and more detailed analysis of the low density lots where fewer than 4 units currently exist, staff estimate that the regulatory capacity could increase by approximately 200,000 units:

- Regional Centre:
 - In the Downtown Centre, Corridor, and Higher Order Residential areas there is a potential to increase regulatory capacity by 20%, or 28,760 units.
 - In the Established Residential Areas, the proposed changes are expected to increase regulatory capacity by 2.5 times over 16,358 parcels, for an increase of approximately 42,000 units.
 - Total Impact: 70,760 potential units
- Suburban 4 units per lot
 - It is estimated that the provision to allow 4 units per lot has the potential to increase regulatory capacity by 128,305 additional units over 43,074 parcels. It is important to note that based on experiences from other places staff expect a take-up of between 1%-3% in areas dominated by single unit homes.

¹⁴ The Ridge Valley Road and Cowie Hill projects have been split into two separate case files. The Cowie Hill Road site is being recommended as part of this package. The Ridge Valley Road site will continue to be processed as a site-specific request, providing additional information is received from the applicant, as has been requested by staff.

- It is estimated that the 42 sites can provide additional capacity for up 5,000 units based on average zone density.
- Total Impact: 135,000 units

To address long-term impacts to water, wastewater and stormwater infrastructure as a result of the changes to zoning, the information on total regulatory capacity contained in this report is being shared with Halifax Water as part of their Integrated Resource Planning process, which is currently underway. This process assesses regional-scale infrastructure and capacity, and it will also consider constraints to local infrastructure on HRM's behalf, as we work together to respond to significant growth pressures. Similar work is ongoing with all other infrastructure and service providers as part of the Regional Plan review and the future Strategic Growth and Infrastructure Plan. In addition, site-specific requests for adjustments in the Suburban Area were also shared with Halifax Water to ensure coordination. Any immediate impacts to local infrastructure will be addressed at the permit stage and all municipal standards or required upgrades would need to be addressed as part of the approvals process.

Conclusion

Halifax was the second-fastest growing urban region in the country in 2022 with population growth of 14% over the past five years, and growth is expected to continue. Changes in population are largely fueled by international and interprovincial migration, including international students and temporary workers. This report seeks to make changes to planning documents to address housing shortages, persistently low vacancy rates, and escalating housing costs. The proposed changes are critical to creating more supportive conditions for building new housing, diversifying the housing sector, providing more options for our growing population, and supporting intergovernmental partnerships.

FINANCIAL IMPLICATIONS

General administration of the proposed amendments can be carried out within existing resources and proposed 2024/25 budget. Potential impacts because of changes to land use include:

- Municipal capital and project investments needed to support anticipated growth may increase because of land value changes and development pressures. Examples include securing land to facilitate transit corridors, streetscaping projects and future heritage conservation districts. The financial implications of these projects and programs will be identified through the business planning process, or project specific staff reports.
- The proposed changes may accelerate housing supply, and in turn generate an increase in building permit revenue. Land values may also increase upon project completion, which could impact property assessments and taxes. Staff have limited ability to predict the viability of potential projects as conditions surrounding individual projects are varied and market conditions are constrained.
- As HRM continues to face pressure in growth, demand for infrastructure and services will continue to increase in both the short and long-term. All population projections and unit yields are being provided to infrastructure and service providers and will be updated on an annual basis to show units development and population changes.
- More work is needed to determine how to identify and distribute the costs associated with growth across areas impacted, which is expected during the Strategic Growth and Infrastructure Priority Plan process and future Development Charges Report.
- Funding of constraints in local/area water, wastewater, stormwater and transportation infrastructure are the responsibility of the project applicant/developer (essentially, cost-causer pays principle). Regional level infrastructure needs driven from growth will be funded through Halifax Water's Regional Development Charges.

RISK CONSIDERATION

The risks associated with this project are low to moderate. Consideration is given to the following considerations:

- In staff's opinion all the key commitments under HAF are addressed through this proposed package
 of amendments. Confirmation will be required from the Canada Mortgage and Housing Corporation
 (CMHC) under the terms of the HAF Agreement. Should Council significantly amend components
 of this package, it may also affect HRM's standing with the HAF application. Once staff gain a
 clearer understanding of Regional Council's desired package of amendments, further discussions
 will be held with CMHC to understand if the desired changes meet the agreement requirements. If
 additional changes are required, these could also be made through the Regional Plan Review
 process.
- Any significant delays in adopting this amendment package could have impacts to the following:
 - Industry members and consultants have indicated that some projects are on hold awaiting completion of this amendment package to ascertain what new development rights will be provided.
 - Staff advise that the timing of the Regional Plan and Sackville Floodplain have been impacted by this work and timing of the approvals of this package will affect HRM's ability to deliver these projects before the election.
 - Milestones under the CMHC and HRM HAF Agreement require that changes be made to the Centre Plan Area by July 1 2024 and to the Suburban Area by February 2 2025. Not meeting these milestones could impact HRM's ability to access funding.
- There may be a rise in property values due to an increased anticipation and development opportunities. This is expected to stabilize as housing supply increases over time. Staff have no control over market valuations and speculation. Staff have introduced regulatory changes that have a broad geographic application to minimize impacts in specific areas.
- There continues to be significant need for the development of deeply affordable and affordable housing to offset demand and high costs associated with housing in HRM. Changes to the regulatory environment take many years to be realized. Market-based housing is not well suited to generating housing priced to accommodate those individuals in core housing need.
- New development can generate a loss of existing affordable residential units because of the demolition of existing older buildings. Some of these impacts were mitigated by excluding existing multi-unit housing from consideration in the suburban opportunity sites.
- New development can impact potential future heritage through the demolition of buildings. Staff
 mitigated this by maintaining protective zoning over registered heritage properties in the Regional
 Centre and potential future heritage areas, expanding the use of the heritage development
 agreement tool, and expanding proposed heritage conservation districts.
- Advancing a second set of Suburban Opportunity sites, as is recommended in the report, will impact staff's ability to deliver the Suburban Plan, and are expected to impact the overall project timelines. Staff will provide an updated Suburban Planning Work Plan later this year.
- While public consultation on the proposed changes was limited and may carry some reputational risks, extensive feedback was received from residents, interested parties, and internal reviewers and feedback was considered in generating the final amendment package for Regional Council's consideration.
- The adoption of the new Suburban Housing Accelerator Fund Plan may create some initial administrative challenges, this can be mitigated by preparing and disseminating communication and training materials for staff, industry stakeholders, and the public.
- Section 232(2) of the HRM Charter states that the adoption of a municipal planning strategy does
 not commit the Council to undertake any of the projects suggested in it. Also, such amendments
 and adoption processes are at the discretion of Regional Council and are not subject to appeal to

the Nova Scotia Utility and Review Board.

ENVIRONMENTAL IMPLICATIONS

The proposed changes support Regional Plan's and Centre Plan's goals related to strategic and transitoriented growth, and efficient use of land. The intent is to use existing infrastructure and invest in alternative transportation options to make walking, cycling, and transit appealing alternatives for commuting through promoting a compact, and intensified downtown that aims to foster a healthy pedestrian environment.

ALTERNATIVES

The Heritage Advisory Committee may recommend that Halifax Regional Council:

- 1. Adopt the proposed documents (Attachments C1 and C2), subject to any recommended changes; or
- 2. Refuse to adopt the proposed documents (Attachments C1 and C2).

Halifax Regional Council could choose to:

- 1. Direct changes to the attached documents (Attachments B1 to E9), and request the changes be made prior to the consideration of First Reading;
- 2. Request a supplementary report. This increases a risk of missing the federal deadline of July 2024, but this risk could be mitigated by continuing with Regional Centre amendments if the supplementary report is requested with respect to other planning documents included in the package. A request for a supplementary report may also affect the timeline for the updated Regional Plan
- 3. Refuse to adopt the proposed documents (Attachments B1 to E9). This may risk the Municipality's commitments under the 79.8-million-dollar federal HAF funding, and may contribute to further housing shortages in the Municipality.
- 4. Refuse to consider additional opportunity sites prior to Suburban Planning process.

ATTACHMENTS

- Attachment A1 Minister Fraser HRM HAF Application 230929
- Attachment A2 Mayor Savage Response HAF Application 230929
- Attachment A3 Jurisdictional Scan
- Attachment A4 HAF Comparison of Proposed Changes (Before and After Public Consultation)
- Attachment A5 Suburban HA Zone Fact Sheet
- Attachment A6 Regional Centre Site Specific Requests
- Attachment A7 Suburban Area Site Specific Requests
- Attachment A8 What We Heard Report HAF Urgent Changes to Planning Documents
- Attachment B1 Regional MPS Amendments
- Attachment B2 Subdivision By-law Amendments
- Attachment C1 Regional Centre SMPS Amendments
- Attachment C2 Regional Centre LUB Amendments
- Attachment C3 Suburban Housing Accelerator SMPS
- Attachment C4 Suburban Housing Accelerator LUB

| Attachment D1 - Beaver Bank-Hammonds Plains-Upper Sackville MPS Amer | |
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| Attachment D2 - Beaver Bank-Hammonds Plains-Upper Sackville LUB Amen | dments |
| Attachment D3 - Bedford MPS Amendments | |
| Attachment D4 - Bedford LUB Amendments | |
| Attachment D5 - Cole Harbour-Westphal MPS Amendments | |
| Attachment D6 - Cole Harbour-Westphal LUB Amendments | |
| Attachment D7 - Dartmouth MPS Amendments | |
| Attachment D8 - Dartmouth LUB Amendments | |
| Attachment D9 - Eastern Passage-Cow Bay MPS Amendments | |
| Attachment D10 - Eastern Passage-Cow Bay LUB Amendments | |
| Attachment D11 - Halifax Mainland MPS Amendments | |
| Attachment D12 - Halifax Mainland LUB Amendments | |
| Attachment D13 - Musquodoboit Valley-Dutch Settlement MPS Amendments | |
| Attachment D14 - Musquodoboit Valley-Dutch Settlement LUB Amendments | |
| Attachment D15 - Chebucto Peninsula MPS Amendments | |
| Attachment D16 - Chebucto Peninsula LUB Amendments | |
| Attachment D18 - Sackville Drive LUB Amendments | |
| Attachment D19 - Sackville MPS Amendments | |
| Attachment D20 - Sackville LUB Amendments | |
| Attachment D21 - Timberlea-Lakeside-Beechville MPS Amendments | |
| Attachment D22 - Timberlea-Lakeside-Beechville LUB Amendments | |
| | |
| Attachment E0 – Downtown Halifax SMPS Amendments | |
| Attachment E1 - Downtown Halifax LUB Amendments | |
| Attachment E2 - Eastern Shore (East) LUB Amendments | |
| Attachment E3 - Eastern Shore (West) LUB Amendments | |
| Attachment E4 - Lawrencetown LUB Amendments | |
| Attachment E5 - NPLMLLCBEP LUB Amendments | |
| Attachment E6 - Prospect LUB Amendments | |
| Attachment E7 - St. Margarets Bay LUB Amendments | |
| Attachment E8 - Shubenacadie Lakes LUB Amendments | |
| Attachment E9 - Lake Echo-Porters Lake LUB Amendments | |

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

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