



HALIFAX REGIONAL
MUNICIPALITY

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MUNICIPAL CLERK

April 23, 2012

Halifax Regional Municipality



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Minister John MacDonell
Service Nova Scotia and Municipal Relations
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Dear Minister MacDonell:

MUNICIPAL CLERKS OFFICE

Distributed to:

- Councillors Meeting *Regional Council*
- Mayor
- CAO Date: *March 27/12*
- DCAO
- Solicitor Item No. *10-2.1*
- Communications *G. Keefe*
- Other *C. Bryant, S. Mackinlay, P. Stickle, R. MacPherson, K. Vining*

I am writing about HRM's legislative amendment request for density bonusing to be expanded from downtown Halifax to the entire municipality. This request has been an HRM priority for the past three years. It has been discussed extensively this year in particular, as the Regional Plan review gets underway. The issue has taken on even greater importance for Halifax Regional Council with its approval of the conceptual framework for redeveloping brownfields on March 27, 2012. Council passed a motion on that date asking that HRM's density bonusing amendment be expedited to support the brownfields incentive work. Please consider this letter HRM's formal request.

Density bonusing is vital to allow HRM to meet growing housing demand in a sustainable manner. The need for housing is increasing with the award of the shipbuilding contract. The number of development proposals and home and apartment construction is at the highest level in almost 40 years. This affords an unprecedented opportunity to provide significant amounts of affordable housing and streetscape improvements – but only if density bonusing is enabled.

Density bonusing is the most effective tool available to municipalities to create incentives for the private sector to build affordable units. It provides a financial incentive for developers to proceed with projects and introduces public benefits at no cost to government. After two years of watching the program at work downtown, HRM is planning changes to the process to encourage greater public benefit and increased density. Rather than giving applicants the choice from a suite of up to 7 public benefits, HRM proposes mandating the provision of affordable housing in exchange for the majority of the density, with some additional density available for the provision of, or funding for, streetscape and open space improvements.

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This change is intended to support the work being done by the NS Department of Community Services on affordable housing provision. Community Services has invited HRM to develop an innovative partnership through which housing affordability and choice could be provided. HRM's role in this partnership is to use its land use controls to create incentives for the private sector to build affordable units. However, without the density bonusing amendment HRM will be unable to accept the province's invitation to fully participate in this partnership, and hundreds of potential affordable housing units will be lost to residents of this municipality.

Community Services is not the only provincial department whose work is impacted by density bonusing. HRM and the NS Department of Environment have been discussing ways to redevelop brownfield sites. Currently the cost of redeveloping contaminated sites such as former gas stations is prohibitive. Because of this, they often sit vacant for years. Density bonusing provides a financial incentive for developers to clean up such sites and build new projects – achieving both environmental and economic benefits just as the Environmental Goals & Sustainable Prosperity Act (EGSPA) envisions. On March 27, 2012, Halifax Regional Council approved the conceptual framework for brownfield redevelopment, of which density bonusing is an integral part.

Enabling dense urban development is one of the most important things a municipality can do to create winning conditions for growing the economy and achieving long-term sustainability. Densifying around the existing infrastructure and services of the Regional Centre is the lower-cost and more sustainable alternative to building and maintaining new infrastructure and services in the geographically dispersed outlying areas. This is *Smart Growth* which creates sustainable communities where GHG emissions are greatly reduced, fewer cars are on the road, walkability improves public health, and attractive and vibrant areas result where people can live, work and spend leisure time. HRM began building this approach with its HRMbyDesign plan three years ago. It has been a demonstrable success:

- A streamlined 60-day turnaround time for processing applications.
- Land-use and building design policies that are clear and predictable for the applicant and for the community, and that deliver architectural excellence.
- Vastly increased development activity, with seven major downtown development projects approved and 12 heritage restoration projects

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on Barrington Street approved. HRM estimates that this amount of development activity is equal to all of the downtown development activity in the previous 25 years combined.

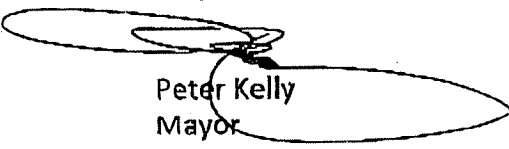
- Widespread community input and support

By applying the same HRMbyDesign principles throughout all of HRM, we could achieve a similar level of success around economic, environmental and housing goals. HRM is not alone in this view. Various stakeholders such as the Greater Halifax Partnership, HRM Alliance and Ecology Action Centre, the NS Home Builders Association and the development industry are all asking for progress in these areas.

Discussions with some Provincial officials have suggested that HRM could accomplish density bonusing through other means than a legislative change. HRM Legal Services have reviewed this proposal and do not believe it is possible. The HRM Charter is extremely clear: density bonusing is explicitly enabled only in downtown Halifax. It cannot be accomplished in any other areas of the municipality under any other means such as development agreements. By failing to enable density bonusing, the Provincial government will be perpetuating the unfair and even discriminatory denial of rights to some property owners in HRM that property owners throughout the rest of the province, and in downtown Halifax, enjoy.

HRM strongly believes that housing affordability and choice are necessary to achieve vibrant, complete, mixed-use neighbourhoods. We are eager to work with Community Services on this priority area, and support the work of Environment and Economic & Rural Development; however without the ability to influence affordability and incent development in under-utilized areas through density bonusing, we will be unable to do so. This is an opportunity that should not be missed. It will deliver significant successes for both levels of government and our citizens.

Respectfully, I remain



Peter Kelly
Mayor

cc – Halifax Regional Council