



COMMUNITY DESIGN ADVISORY COMMITTEE
June 27, 2018
MINUTES

PRESENT: Fred Morley, Chair
William Book
Eric Burchill
Christopher Daly
Jenna Khoury
Reg Manzer
Rima Thomeh
Deputy Mayor Wayne Mason
Councillor Sam Austin
Councillor Shawn Cleary
Councillor Lindell Smith

REGRETS: Gaynor Watson-Creed, Vice Chair
Dale Godsoe
Councillor Richard Zurawski

STAFF: Jacob Ritchie, Urban Design Program Manager
Carl Purvis, Planning Applications Program Manager
Sherryl Murphy, Legislative Assistant
Simon Ross-Siegel, Legislative Assistant

The following does not represent a verbatim record of the proceedings of this meeting.

The agenda, reports, supporting documents, and information items circulated are online at halifax.ca.

The meeting was called to order at 11:44 a.m., and the Committee adjourned at 1:36 p.m.

1. CALL TO ORDER

The Chair called the meeting to order at 11:44 a.m.

2. APPROVAL OF MINUTES – June 6, 2018 and June 13, 2018

Several Committee members requested to defer approval of the June 13th minutes to the next meeting of the Committee to confirm the wording of the motion to CPED.

MOVED by William Book, seconded by Councillor Cleary

THAT the minutes of June 6, 2018 be approved as presented.

MOTION PUT AND PASSED.

3. APPROVAL OF THE ORDER OF BUSINESS AND APPROVAL OF ADDITIONS AND DELETIONS

There were two requested additions to the agenda. Some members requested to add a discussion of the Keesmaat report to the agenda as Item 9.1. Members also requested to add a discussion of Community member feedback which the Chair had collected and circulated to the Committee members as Item 9.2.

Some Committee members raised the concern that if this Keesmaat report was added as a specific item for discussion, there may be pressure on the Committee to discuss other independent reports. Some members replied to this concern by noting that several members had expressed a desire to speak to the details of the Keesmaat report. A member suggested that members identify ideas or opinions informed by the Keesmaat report when they are commenting on items relating to the Centre Plan feedback during today's meeting. This way, the Committee's recommendations can be seen in context with the thoughts of the Committee.

MOVED by Councillor Cleary, seconded by William Book,

THAT the agenda be approved as amended.

Two-third majority vote required.

MOTION PUT AND PASSED.

4. BUSINESS ARISING OUT OF THE MINUTES – NONE

5. CALL FOR DECLARATION OF CONFLICT OF INTERESTS – NONE

6. CONSIDERATION OF DEFERRED BUSINESS – NONE

7. CORRESPONDENCE, PETITIONS & DELEGATIONS

7.1 Correspondence

The Chair recognized correspondence from John Lindsay, Chair of East Port Properties Limited, received by the Municipal Clerk's office on June 26, 2018, and it was distributed to members. No action was taken.

8. REPORTS

8.1 STAFF

8.1.1 Center Plan Package A

The following was before the Community Design Advisory Committee:

- A staff review and consolidated table of public comments on planning documents with five attachments
- A staff presentation on Review and Feedback to “Package A” of the Centre Plan

Jacob Ritchie, Urban Design Program Manager, resumed presentation regarding comments and input received on “Package A” of the Centre Plan, the substance of which includes the Secondary Municipal Planning Strategy (SMPS) and the Land Use By-law (LUB). Continuing the Committee’s deep review of “Package A” of the Centre Plan begun and continued throughout the June 6 and June 18 meetings of the Committee in 2018, the Chair asked members to consider framing their questions and comments as clear recommendations for staff going forward. Jacob Ritchie thanked members for organizing their thoughts as circulated in the added item by category and enabling staff to directly address items raised particularly regarding density bonusing. Jacob Ritchie also indicated staff has made efforts to cross reference discussion items with topics and comments made in the Keesmaat report so staff can respond to these for the Committee.

(6) *Density Bonusing*

Jacob Ritchie reviewed summarized comments and responses relating to the theme of the density bonusing program as currently drafted. Given the scope of sub-issues related to this topic, Jacob Ritchie divided comments into a discussion on the density bonusing framework and a discussion on the benefits.

Several commenters had requested that staff lower the GFAR threshold to 2.5 from 3.5 to allow more areas to receive the public benefits from developments under the program. Staff replied that this would require recalculation to measure the benefits and potential disincentives to development. Currently, the program is restricted to a smaller number of developers, but expanding the program could spread the cost of paying for benefits under the program across a larger number of developers, which could incentivise development while giving neighbourhoods similar benefits.

Several commenters had requested staff spread the program to more areas under the Centre Plan, and to have variable pre-GFAR and post-GFAR limits. Several commenters expressed that density bonusing is a tax, and it is therefore necessary to evaluate the economic value of the tax. Staff noted that this concern is reflected in the Keesmaat report as one of its prominent recommendations. Staff replied that density bonusing incentives are intended to be voluntary, so they are not really a tax. It will be important to ensure that the right thresholds are set to ensure density bonusing operates as an incentive rather than a punishment. To this end, staff adamantly wants to ensure that the program, like all measures in the Centre Plan, incentivises good planning and growth in the regional centre rather than pushing development into the surrounding areas. Several commenters had requested that staff exclude Future Growth Nodes (FNGs) from the density bonusing program and ensure FNGs are complete communities. Staff stated that these are areas which are currently less regulated regarding design standards, and staff understands that this comment suggests obtaining public amenities through the design agreement process rather than through the density bonusing program. Staff stated that this issue would require further discussion. Several commenters had requested staff reduce the density bonusing capture rate from 67% to a lower rate. Staff replied it intended to re-evaluate the capture rate. Several commenters stated that costs incurred from the density bonusing program will not be paid by the developers alone, but rather will be redistributed to renters to building users. Staff replied that the program is intended to be a voluntary incentive.

Some members stated that while they supported the density bonusing program generally, they wanted to know if staff had considered possibilities of phased in approaches to ease developers into the program. Some members also asked staff if there was a way to pilot the density bonusing program. Additionally, some members noted that some of the proposed development sites in question are municipally owned and asked if staff can model these to provide information for how the density bonus as currently drafted would affect property tax revenues from these sites. A member raised the example of

the St. Patrick's Alexandra site. Staff replied that downtown Halifax is a bit of a pilot right now. Staff found that with a \$4 per square foot rate, the city was able to obtain over 1.7 million dollars over seven years to improvements for public benefit in downtown Halifax. These included some new buildings, parking spots, and some public access across some projects. When staff drafted the initial draft of the Centre Plan and staff's report on density bonusing, they developed the program to be more impactful and to achieve some of the things they hoped to achieve in the regional centre. The challenge now is to accommodate the growth anticipated in the regional centre. Staff believes they should scale back the request for amenities to ensure the sufficient growth targets are met and supply as brought to market. Staff is considering options to achieve this at this time, but cautions that performing another trial will add to further the timeline for the adoption of the Centre Plan. Instead, staff proposes to perform further analysis with new rates and thresholds using the information they already have at their disposal. Staff indicated they have currently only performed this review for areas in Package A, and has not performed a similar analysis for FGNs. However, these developments suggest there has been a form of slower incremental adoption of a density bonusing framework and staff has learned a lot from this process.

Some members added that the Willow Tree development on Quinpool and Robie also provide valuable density bonus pilot information. If one includes the sidewalk widening, the developers provided over two million dollars in benefits, effectively ten percent of the draft Centre Plan's density bonusing target in one development. This example speaks very confidently to the ability and willingness of developers to pay for additional density. Though the current draft plan capture rate may be too onerous, some form of density bonusing program appears to be viable.

Many members stated concern about the density bonusing program, as currently drafted, pushing development out of the regional centre. Members noted that the Integrated Mobility Plan (IMP) says the municipality is aiming to focus 40% of new growth into the regional centre. Some members were skeptical of claims that the program would adversely impact development, noting that such claims are based in the current context where the existing plan over the last thirty years requires developers to apply for exceptions. Some other members stated that they agreed with public comments and report which noted concern that the density bonusing program as currently drafted would likely produce unintended consequences if enacted. Some members were concerned that staff is relying too heavily on the density bonusing program to provide amenities, and the program will impact affordability and push costs onto consumers and renters. These members suggested that staff should further consider the incremental tax costs of underutilized lands, and noted that the municipality can capture more revenue from property taxes than from density bonusing benefits.

Some members asked staff to provide an opinion about the amount of land in the regional centre which could be called upon for development, particularly considering suggestions arising from the Keesmaat report. Staff replied that while it could not provide the Committee with figures at this meeting, it would certainly not need to redevelop two thirds of the land in the regional centre to meet the municipality's planning and growth goals. Staff expects that it will require a much smaller footprint to achieve these. Staff undertook to provide the Committee with figures to clarify staff's opinion of the amount of land in the centre which would have to be redeveloped to meet the Centre Plan growth targets with the next drafts of Package "A" planning documents.

Several members also noted that for any incentive program, including the density bonusing framework, there is a risk that future changes to the program will become politically challenging to the granting body. The municipality will likely be asked to consult with the beneficiaries anytime it wants to change the program, and staff should recognize that this is a cost. Members proposed in addition to land value studies, staff should consider comparing specific projects to better illustrate the differences between several types of development which could be built in an area and to better understand the resulting impact to land values. Such contingency analysis of best and worst-case scenarios would be helpful for staff and the Committee to further consider the benefits and drawbacks of a density bonus program. Staff replied that they had done quite a bit of modeling on this issue, particularly for developments with a GFAR of 8.0 or higher. Staff undertook to provide the Committee with information obtained from modeling on buildings with a GFAR of 8.0 or greater which suggests that the current draft of the density bonusing plan challenges the viability of development in the centres with the next drafts of Package "A" planning

documents. As of this time, the research is informing staff that the density bonusing framework as drafted is too challenging to developers and will restrict development in a manner contrary to the goals of the Centre Plan. As currently drafted the framework restricts density in the areas under the Centre Plan in which planners are most eager to encourage denser land use. Currently, staff is considering two possible solutions. First, staff can consider lowering the GFAR threshold to add more midrise buildings to the program and spreading the costs among a larger pool of developers. Second, staff can consider reducing the size of the program by lowering the capture value. Staff added in reply to further questions on this topic, that staff's current anticipated target for the density bonus program is to capture twenty million dollars in revenue. Many members expressed general support for density bonusing program, but stated they support measure to adjust the program framework to ensure it acts as an incentive rather than a tax on development likely to reduce the number of units expected to be built in the regional centre.

Some members asked staff where the 67% capture rate come from in developing the framework. Staff relied that it was the middle analysis figure. Staff conducted a review of three capture rates and their effects and determined that a figure of two thirds of the bonus density was an appropriate rate which struck the right balance between incentive to development and value to the municipality.

A member asked for clarification regarding the meaning of GFAR and FAR these are discussed in the Keesmaat report. Staff explained that while GFAR measures the total area of a building, FAR or "Net FAR" refers to the area of a building after deducting certain exceptions mainly relating to hallways and amenity spaces. The use of GFAR can encourage developers to make their amenity spaces as small as possible, however staff stated that they think GFAR allows for simplicity and enables city to save resources considering design standards. Most cities start with simpler design review tools and adopt more complex tools when density increases and becomes more prioritized following city growth.

Several members noted that if staff expands the density bonus program to capture smaller returns from a wider variety of developments, this will require the municipality to become more involved as a municipality in coordinating efforts to deliver affordable housing benefits.

Some members inquired if staff has conducted studies on affordable housing and density bonusing programs in other cities. Staff replied that one challenge is that there are no other similarly-sized Canadian cities which have a density bonusing program, although many cities do have affordable programs. However, none of these cities have similar levels of detail in their planning documents, which limits the value of any comparisons. Some members suggested if it was unique for a city of the size of Halifax to have the level of planning detail described in the Centre Plan, it may not be necessary or productive to have a density bonusing program. Staff replied that they have considered the value and challenges of a density bonusing program, and overall staff believes some form of the program can provide value to the municipality. Staff undertook to provide the Committee with an economic sensitivity analysis regarding the potential impact of a density bonusing program in the regional centre with the next drafts of Package "A" planning documents

In response to comments from some Committee members, staff acknowledged that the municipality has the fourth highest rents in the downtown core of all Canadian cities. The Centre Plan seeks to address this problem in several ways, but most critically by increasing the supply of housing. Staff is encouraged that while rents are currently quite high there is also a lot of rental turn over, suggesting the new housing being introduced into the market is quite good and there are renters eager to access it even at a higher price-point. Furthermore, in addition to increasing supply the Centre Plan aims to increase access to transportation and to make it easier and less costly for people to live and work in the regional centre. Several members agreed and stated that the factor most likely to impact affordability is a tight supply of housing, and therefore it is critical to the success of the Centre Plan not to restrict the ability to supply new housing in the regional centre.

Staff stated in reply to questions from some Committee members that there are other initiatives being considered for fund affordable housing, and density bonusing is only one tool. However, staff stated that they are engaging in a thorough review of the affordable housing component of density bonusing because

as of this time the municipality is a major party making changes which could positively or negatively affect affordability.

Some members raised the examples of other cities in Canada where planners are more involved in affordable housing initiatives, and highlighted instances where there is more cooperation with developers and where planners can ask for figures and proof of non-viability from developers. Members identified this point was also discussed in the Keesmaat report. Members asked staff if the municipality has considered this course of action, what are the challenges which prevent the municipality from pursuing these sorts of policies, and what the municipality can do to avoid having to take developers at their word regarding statements about the viability of affordable housing requests. Staff replied that fundamentally it goes back to the legal framework. Municipal development policies for built form tend to fall on a spectrum of formal and pro forma building policies, the former being much more rigid and restrictive, and the later being more flexible and produced from a negotiation process. In many other municipalities, affordable housing comes from a negotiated approach. It's pro forma based, and often done in the context of plan amendments and zoning applications, or contractual negotiated defined processes. Under HRM's Charter, density bonusing is defined as a tool under the LUBs, which makes it very difficult to apply to Design Agreements or plan amendments. Consequently, the municipality does not use it that way. Staff added that there are drawbacks to more negotiated affordable housing initiatives which rely on pro forma negotiated development agreements. One of the results of the use of the section 37 of Ontario's Municipal Act has been a breakdown in public trust regarding the decision makers, and concern that representatives are not equitably sharing burdens of some developments across their communities. Where the municipality's policy delineates zones and permissions by map, the process is somewhat more transparent, though it may be less effective of a case-by-case basis.

Staff stated, in reply to questions regarding Charter amendment requests, that it has made the request to the province for inclusionary zoning and the federal and provincial governments are currently reviewing this request. Some members added that in circumstances where the municipality is requesting changes to its charter or other tools from the province, members strongly advocate the municipality to send requests not only to the government in power, but to all members of all parties to help rally support from the government and the opposition.

Some members asked staff how it modeled the timeline for affordable units and struck the 15-year balance between many units reserved for a short period of time, and few units reserved possibly in perpetuity. Staff replied that this issue speaks more to the discussion of benefits rather than framework under the plan, however staff noted that there were a lot of framework variables to consider in determining what was of value to the municipality. Staff is eager to know what the Committee thinks is a valuable period so it can reduce the amount of analysis staff will have to perform before retuning to Committee with further information on this item. Staff noted that many comments received by staff suggest a 15-year period is too short.

Staff addressed concerns from members reflected in the Keesmaat report that the density bonusing framework for affordable housing may have the unintended outcome of less housing being built. The problem identified in the report is not the program itself, but its scope in terms of costs and capture rates. Staff's priority is to first ensure buildings get built, and then ensure as much affordable housing is provided as is possible within this framework.

Some members stated their concern that there may be too many density bonusing benefits and this may make it hard for the municipality to realize any of them. Staff agreed and said that when there are a lot of choices and options for the applicant, they can find that the program is too onerous. To this end, staff has made serious efforts in the current draft to shorten the list of density bonusing amenities. Staff removed options for parking, green space, and green buildings, and has limited the list to four essentials, these being affordable housing, heritage, public art, and cultural space. However, staff stated that if the Committee believes that this list is still too large, should the Committee suggest removing further amenities this may help staff focus its analysis before returning with staff's report. That said, staff identified that the majority of public comments it has received on this issue have been requests to

increase the list of amenities. Several members stated they are supportive of keeping the list of benefits short, or at least not expanding the current list.

Jacob Ritchie reviewed summarized comments and responses relating to the sub-issue of density bonus program benefits. In drafting the program benefits list, staff selected items which relate heavily to ensuring communities reserve and ensure affordable access to spaces and amenities which complete communities and maintain connections as they grow. Affordable housing, heritage, public art, and cultural space each contribute to this end. However, a major focus of this work has been on affordable housing and therefore most comments received by the municipality address this topic.

Several commenters suggested that the 15-year affordability period was too short to provide meaningful assistance to lower income residents and requested that affordable housing periods allow for the extension of leases. Staff replied that affordability periods can be expended and the discounts can be increased, but the costs to do so will reduce the amount of affordable units which the municipality can pay for with density bonusing. Several commenters had requested that the municipality be more prescriptive in preserving and constructing affordable housing. Staff replied that other incentives are being explored through the Housing Work Plan, and the Centre Plan is not intended to be the only tool being used to address housing affordability. Several commenters had requested the municipality allow affordable housing units to be transferred into other buildings. Staff replied that there is a value in spacing units across many areas in the municipality. Otherwise, there is a risk of segregating lower income residents to some communities while excluding them from others. Several commenters had requested the municipality provide other incentives to developers to offset affordable housing costs such as waiving fees, or reducing taxes. Several commenters said the proposed 40% rent reduction is not enough to provide true affordability. Several commenters had requested staff amend the draft plan to allow developers to include studio apartments as affordable units, and not just units which starting at 1 bedroom or larger. Several commenters had requested staff amend the draft plan to accept more cash-in-lieu of reserved affordable units. Several commenters had requested staff amend the draft plan to reduce the amount of the captured value in the program going to affordable housing and direct greater amounts to other benefits. Several commenters had requested staff amend the draft plan to allocate 25% of captured value from the program to public park purposes. Staff replied that the list of public benefits was created with the intention to remain concise to ensure tangible public benefits are achieved, furthermore, the procurement of off-site public benefits cannot be procured as part of the development approval process. There is currently no defined ability under the HRM charter to make rights on one site dependent on conditions on another site, and no programs have been drafted under the Centre Plan which would do so. However, staff intends to revise the criteria for accessible private open spaces. Several commenters had requested the municipality institute a jury program for the use of public art benefits.

Some members stated they believed it was unfortunate that the municipality was being required to use the density bonusing program and affordable housing to achieve inclusionary zoning, something which those members believed should have been achieved from discussions with the province. A member raised the example of Saskatoon as a municipality which is similarly constrained, but which uses a municipal land fund to build affordable housing units, and has succeeded in building 200,000 affordable units in five years. The member advocated for the creation of a similar program to build dedicated long-term affordable housing units through non-profits. Such funding could also help existing affordable housing developments currently approved for development construct faster and come to market sooner.

Several members discussed their support and reservations about cash-in-lieu of affordable units. Members identified benefits included being able to avoid procurement issues. Staff clarified for the Committee that while most density bonus program benefits are required to be invested on the site for which they were procured, affordable housing is more flexible. In general, density bonus public benefits delivered through the development process by a developer must be delivered on-site. If benefits, such as a right of way for example, were constructed off-site, they would trigger a procurement process which would be competitive in nature. However, section 245A (4) of the HRM Charter requires the inclusion of affordable housing with the Centre Plan area, and allows for cash-in-lieu contribution if the money is used for the purpose for which it was collected. If cash is collected, then the Municipality can manage the expenditure through procurement, community grants or a Housing Agreement with the Canada Mortgage

& Housing Corporation (CMHC) or the Department of Community Services. Staff added that they can add a statement in the policy specifying that the purpose of collecting cash-in-lieu for affordable housing is to guide future density bonus agreements.

Following staff's clarification, some members stated that they were satisfied that their previous concern that density bonusing was an ineffective tool to address affordability had been addressed. If money collected through the program had to be spent on the site from which it was collected, this would seriously challenge the viability of density bonusing to address affordable housing. Members stated they were relieved to hear that this was not the case.

Some members stated their concern that the program will lead to the creation of small isolated benefits unless the municipality can perform greater coordination efforts. Members raised the example of public art installations which under the current framework would have to be built on the site of a proposed development rather than located in other areas in the city. Staff confirmed for members that the municipality's legal framework for density bonusing only allows the municipality to collect and coordinate density bonus resources for affordable housing and for some traffic issues. It does not permit the city to coordinate benefits for public art or cultural spaces.

Some members expressed skepticism regarding the value of municipal public art and questioned if this should remain a density bonusing amenity. Staff replied that there were very few prominent examples of public art in Halifax, which was part of the incentive to add it to the list. While staff admitted that the principle of public art in Halifax was not a well established, there is a lot of research showing the benefits for other municipalities and staff had drawn on this research in making its decision. Staff raised the examples of Anish Kapoor's Cloud Gate in Chicago, and Chris Hanson and Hendrika Sonnenberg's "Get Drunk, Fall Down" statue on the Halifax Boardwalk as installations which demonstrate the power of good public art to create a sense of place and identity for a city.

Following some discussion, Deputy Mayor Mason read the text for a proposed motion and proposed this item be considered and discussed at the beginning of the next meeting of the Committee. The Chair and members agreed to add this motion to be heard as the first item of the Agenda for the next meeting of the Committee.

THAT the Committee supports the direction of the Centre Plan draft while noting the following areas of concern:

- **Development industry concerns regarding modeling should be answered where possible with modelling released for public review,**
- **The Committee shares the concerns of the Keesmaat report and other respondents about needing to strengthen protection and form of neighbourhood character and heritage protection,**
- **Additionally, the Committee shares concerns regarding integration with parks planning, other municipal frameworks and priority plans, especially the Integrated Mobility Plan, Economic Plan, accessibility framework,**
- **Centre Plan should outline a need to work to coordinate with the province on siting and delivery of health and education,**
- **Connection between the Centre Plan and the Regional Plans long term planning and growth vision is especially important and should be strengthened,**
- **Stronger heritage supports, resources, and incentives already under consideration by Council should be in place and funded when the Centre Plan is adopted,**
- **The Committee values a strong affordable housing plan and feels an affordable housing reserve fund could be a key component,**
- **The Centre Plan should indicate a need for public sector investment in Centres and Corridors where required to meet the goal of complete communities.**

Some members sought clarification from staff as to the comment review process and particularly whether staff is considering the Committee's current comments and partial recommendations in preparing its report or if it is awaiting full recommendations following the conclusion of the Committee's review. Staff clarified that they are considering current comments from the Committee in drafting the report while remaining aware that the Committee will likely provide full or partial recommendations following the conclusion of the CDAC comment feedback presentation. Members also asked if the phrase "the Committee supports the direction" as stated in the draft motion accurately reflects that the Committee expects to hear further information from staff on the items discussed. Deputy Mayor Mason replied that the wording, as was the drafting intention, does reflect this.

Some members asked staff if the Committee and staff remains on track for the current target to approve Package A of the Centre Plan. Staff replied that they remain on track to do so. While staff cannot provide a target date prior to receiving the Committee's full feedback, staff has a great deal of interim feedback which is helping staff to narrow down the remaining work and provide further information as to a possible timeline going forward. Staff stated that it was very possible staff may come back in the Autumn of 2018 with a timeline.

Several members were interest in seeing if an additional meeting of the Committee could be scheduled prior to the next ordinary meeting of the Committee, and the Committee generally agreed. The Chair undertook to work with staff to determine when an additional meeting might be scheduled. Staff added that the conversations on remaining issues were likely to be much shorter than that for those topics the Committee has previously discussed.

9. ADDED ITEMS

9.1 Review of the Keesmaat Report

The Committee did not address this item, and it will be addressed at the next meeting of the Committee.

9.2 Review of circulated Committee member feedback

The Committee did not address this item, and it will be addressed at the next meeting of the Committee.

10. DATE OF NEXT MEETING – July 25, 2018

11. ADJOURNMENT

The meeting adjourned at 1:36 p.m.

Simon Ross-Siegel
Legislative Assistant