



WDC-1 Property Development Opportunity (PDO) Questions and Answers

The following are answers to common questions received during the open question period (January 25 - March 14, 2022) for the WDC-1 PDO process.

PLEASE NOTE: The deadline for submission of questions is March 14, 2022. We will continue to collect and distribute questions and answers on a weekly basis through this process. We encourage all potential respondents with to submit questions of clarification to wdc1@developns.ca prior to the deadline. Questions received after 12pm on March 14, 2022 may not be answered.

FAQ's Update #1 (Posted February 22, 2022)

This process seems different than other public land disposal processes. What is Develop Nova Scotia trying to achieve through this PDO?

Develop Nova Scotia is seeking a Proponent Team to develop mixed-model and mixed-income housing on the subject property in a way that guarantees a long-lasting public benefit in affordable and attainable housing.

We understand that market and non-market housing providers face a number of challenges in creating affordable housing in new construction. Rather than dictating a specific approach, this PDO allows for consideration of a wide variety of approaches to development of the site and the leveraging of the value of the land in exchange for public benefit in affordable housing.

Specifically, through this PDO, Develop Nova Scotia aims to:

- Create new or preserve existing affordable housing units in HRM's Regional Centre. Develop Nova Scotia has identified a need for moderate income housing for households increasingly priced out of the market, but not eligible for subsidized housing, however, other measures of affordability will be considered based on the specific targets and mandates of responding teams and organizations.
- Encourage partnerships between market and non-market sector housing developers and providers, recognizing the skills, capacity, and role of each sector in delivering and managing housing options.
- Build capacity and equity in the non-market sector by encouraging participation in the development process and encouraging approaches that result in long term management or ownership of a portion of units or a portion of the property by a non-market provider.

- Incentivize the private sector to partner with the non-market sector to achieve efficient construction of affordable housing units, while also constructing and contributing market units to meet demand across the housing and income spectrum.

We recognize that this is not a standard disposal process. We have flexibility built in to allow us to engage with strong teams and support good ideas. The process is also helpful for us to further understand the issues and what organizations feel they need to make projects work, and to identify other regulatory or process obstacles to participation and success. The intent is to use the lessons learned in this process to shape similar development opportunities on Develop Nova Scotia-owned lands in the adjacent Dartmouth Cove area.

This first stage in the process is meant to remove barriers to participation and allow teams to develop and propose an approach that reflects their areas of expertise. If there are issues perceived to be a risk or that are preventing potential respondents from participating, we encourage potential Proponents to continue to submit questions so that we can continue to address concerns or potential obstacles wherever possible.

What is the role of the Province in the development of the site? Will they own the buildings when completed?

Given the range of objectives and mandates of not-for-profit service providers and non-market housing providers and the interests of the commercial development sector, Develop Nova Scotia has purposely allowed for the consideration of a wide range of approaches in the process.

The PDO is seeking viable and sustainable approaches to constructing and maintaining affordable housing with direct involvement from non-market and market housing providers. This may include for-profit or not-for-profit ownership of buildings or both. Nothing in the PDO prevents Proponents from proposing ongoing involvement from the Province if deemed necessary as part of the proposed approach. If the proposed approach relies on ongoing involvement of the Province, through ownership of the land, buildings or in the management of the building and/or units, this should be clearly identified in the approach proposed. Please note, it is assumed that the proponent team will finance and manage construction of any proposed buildings, which may include discounts on the purchase price of the land or lease arrangement or additional funding through established funding programs.

What about the land? What options will Develop Nova Scotia consider in the ownership, lease or transfer of the subject property?

The PDO offers Proponents the latitude to identify an approach that delivers the long-term outcomes around housing affordability. The PDO allows for Proponents to consider an approach to ownership or leasing that makes sense for their proposal for development of the site. We have not limited the options, recognizing there are a range of approaches, but it could include commercial or not-for-profit ownership by a single entity, multiple owners through subdivision of the site or strata/condo ownership, or long-term lease agreements where ownership remains with the Province or another project partner, including a not-for-profit project partner.

At this first stage of a two-stage process, we are asking proponents to explain their approach to the land (ownership, lease, etc.) and how this approach helps achieve the objectives of the PDO.

Will Develop Nova Scotia contemplate affordable housing units across other properties leveraging the value in this land?

Yes. Develop Nova Scotia recognizes that the most efficient way to contribute to housing affordability and build equity in the non-market sector may be a land swap of this high-potential vacant property for existing older-stock affordable buildings. If this approach is proposed, Proponents are asked to clearly describe the proposed transfer and confirmation of support, in principle, by any involved parties. Recognizing that this may include confidential information, Proponents should clearly identify any confidential information contained in the proposed approach.

Can the value in the land be used to support the proposal (e.g. below market rent or sale price)?

Yes. Develop Nova Scotia understands that to deliver long-term affordability through participation by commercial developers or to create equity in the non-market sector through ownership, Proponents must leverage the value of the underlying land. Proponents are encouraged to consider the land as a potential asset to be used for financing purposes if applicable. Proponents should clearly articulate the proposed approach to land ownership, including any assumed discounts in the purchase price or lease rate.

Please note that Develop Nova Scotia is seeking long-term affordability solutions through involvement by both market and non-market housing providers. Responses should focus on clearly articulating the public benefit and guaranteed outcomes in long-term commitments to affordability using the value of the property. We recognize the total unit yield may be lower for Proponent Teams proposing unit types, site design, or sustainable construction techniques that consume more space on site or can't achieve the unit yields possible through standard mixed-use high-rise construction. Responses will not be penalized for proposing massing or unit yields that are below the hypothetical maximum permitted on the site through HRM's planning regulations.

The PDO mentions public consultation. How much consultation is required?

There is no substantial public consultation requirement from Develop Nova Scotia, as the building form and maximum height and density is established in HRM's planning regulations, which were established following extensive and robust public consultation. A building of a FAR of 8 and up to 90m in height can be constructed by-right. In the PDO, references to consultation are about the need for ongoing engagement with Proponent Team Members, including any non-market team partners and their potential clients in the detailed design and programming of the building. Details on collaboration, governance and decision-making should be focused primarily on the Proponent Team to demonstrate a shared commitment to achieving their proposed vision.

Will Develop Nova Scotia consider a sliding scale on rent as an affordable housing program?

Yes. Given the mandate of Develop Nova Scotia, the PDO recognizes a specific need for moderate income housing for households not eligible for social housing but increasingly priced out of the market. However, we have not been prescriptive on this issue, recognizing that some Proponent Teams may have approaches that address specific and acute housing needs in the community. Develop Nova Scotia is seeking a well-articulated approach to achieving affordable housing (rental or ownership), as well as the ongoing and sustainable administration and management of any affordable units. It is anticipated that proponent teams will set affordability targets based on their specific objectives, including the objectives of any non-market housing sector partners included in the Proponent Team. While detailed financial proposals are not required until Stage Two of the process, Proponent Teams are expected to clearly outline their affordability targets and how it addresses the objectives of the PDO.