Town of Yarmouth
REQUEST FOR DECISION
Housing Accelerator Fund – Rezonings of Surplus Lands
July 8, 2025

1.0 Recommendation

That the Planning Advisory Committee recommend that Council:

1. Give first reading to the proposed amendments to the Municipal Planning Strategy and Land Use Bylaw to introduce a new residential Housing Accelerator – 1 (HA-1) Zone as contained in **Attachments 1 & 2**

2. Give first reading to the proposed amendments to the Land Use Bylaw to rezone four Town-owned lots located at 56 Tooker St, 37 Argyle St, 22 Chester St, and 4 Bond St from Low Density Residential (R-1) Zone to Housing Accelerator – 1 (HA-1) Zone (**Attachment 3**);

3. Withhold second reading to the proposed four rezonings pending staff evaluations of available site servicing.

2.0 Report

Executive Summary

In response to Council-approved Housing Accelerator Fund (HAF) Action Plan, this report discusses proposed rezonings of four Town-owned properties (56 Tooker St (PID# 90211442), 37 Argyle St (PID# 90212820), 22 Chester St (PID# 90205428), and 4 Bond St (PID# 90213067) – **Attachment 4**) associated with and in support of HAF's Action Plan Initiative #1 – Surplus Lands for Affordable Housing Program (Program).

The four lots (**Attachment 3**) are part of a larger land portfolio of available Town-owned properties that the Town hopes to market to qualified builders through the above-mentioned Program. The proposed rezonings are one of several necessary steps before the Program may be formally developed by staff, approved by Council and launched by the Town later this year.

Background

In 2023, the Government of Canada launched the "Housing Accelerator Fund" (HAF) in response to the national housing crisis. The HAF, administered by the Canadian Mortgage and Housing Corporation, was a $4 billion fund distributed to municipalities who agreed to take measures to accelerate housing development. A key expectation for municipalities was to update planning documents to relax or remove barriers to new housing.

The Town of Yarmouth applied to the second round of the HAF program under the Small/Rural/North/Indigenous Stream and in March of 2025 was successful in obtaining a commitment of $2.3 million to implement the following five key initiatives:

Initiative 1: Create a surplus lands program for affordable housing.

Initiative 2: Develop a parking management strategy.
Initiative 3: Regulatory (i.e., LUB and MPS) changes to support housing.
Initiative 4: Create a priority approvals stream for housing projects.
Initiative 5: Development incentives program.

About "Initiative 1"

The Town of Yarmouth aims to work with non-profit housing providers and leverage available Town-owned lands for projects that have an affordable housing component. The Surplus Lands for the Affordable Housing Program is intended to identify available sites and make them 'shovel-ready'. Program components include identifying, prioritizing, and advertising available sites, creating policy and protocol around the disposal of Town-owned lands (for affordable housing), and **pre-zoning the sites** to allow multi-residential uses.

Proposed Amendments

The proposed rezonings (**Attachment 3**) are intended to reduce the amount and length of development review and approval processes – i.e., create an inventory of development-ready properties. The proposed rezonings would take the respective properties from the existing Low Density Residential (R-1) Zone to a new Housing Accelerator – 1 (HA-1) Zone which is currently not available in the Land Use Bylaw.

As such, this report and staff recommendation seek Council approval to include the proposed HA-1 Zone in the Land Use Bylaw. The HA-1 Zone has been developed in concert with HAF-specific LUB and MPS amendments (Initiative 3 of the HAF Action Plan – see above) as well as the Town's comprehensive LUB and MPS review each of which will be brought to Council for consideration and approval in Q4 of 2025 and Q2 of 2026 respectively.

The proposed residential HA-1 Zone has been specifically designed to offer a wider range of use and development flexibility than existing residential zones such as R-1 and R-2. At the same time, it is believed that the proposed HA-1 Zone may result in development outcomes that may be generally compatible with other residential development allowable under the current rules of the LUB.

The proposed Zone allows for up to 72 units per hectare or anywhere between 4 to 6 on the four subject sites. The maximum height is limited to three storeys, requirements regarding, landscaping, tree planting, parking and rainwater management are also included. The zone also allows for 'supportive housing' which is defined as a building, or an arrangement of buildings that provide accommodations along with social, physical, or mental health support to residents directly on-site. It is anticipated that this proposed use will replace the existing 'transitional and supportive housing' currently defined in the LUB when the new LUB has been finalized in 2026.

Site Servicing

To meet HAF Action Plan deadlines, staff accelerated the timeline for this report. As a result, some necessary technical reviews were incomplete at the time of writing. Staff therefore recommend that Council withhold second reading of the proposed rezonings until confirmation of available site servicing (sewer and water) is received. Any relevant information will be brought forward to Council as it becomes available.

3.0 Relevant Policy

All four lots are located within the 'Residential Designation' as shown on Map 1 of the Municipal Planning Strategy. The proposal supports the Statement of Community Interest related to "Infilling in Existing Residential Areas." The Statement encourages infill development and increased residential density in existing neighborhoods in a way that respects local architecture and is compatible with adjacent properties.

To accommodate the proposed addition of the new HA-1 Zone in the Land Use Bylaw, minor amendments to the MPS have been prepared as contained in **Attachment 1.**

4.0 Strategic Relevance

The proposed rezonings represent a key step in advancing the Surplus Lands for Affordable Housing Program. Timely delivery of the Program is essential to meet the Town's contractual obligations under its agreement with the federal government.

5.0 Desired Outcomes

Adopt staff recommendations as outlined in Section 1 of this report.

6.0 Response

a. Approve
b. Reject
c. Refer back to staff with direction for more information

7.0 General Implications of Recommendation

If the proposed rezonings are not implemented or not supported by Council, staff could still develop the Program. However, the rigidity of the current R-1 zoning could lead to unnecessary delays in development review and potentially render one or more of the four lots unsuitable for affordable housing.

8.1 Organizational Implications

- Policy and zoning amendments will require additional staff time and interdepartmental collaboration, including planning, engineering, finance, legal, and public works.
- The Town may need to revise its land disposition policies and public consultation processes.
- The project may face public opposition, necessitating additional staff, leadership, and Council involvement, as well as communication and engagement strategies.

8.2 Financial Implications

- Loss of potential revenue: Offering land at below-market prices or for free reduces potential income.
- Opportunity cost: The land could otherwise be sold or leased to commercial developers for higher tax revenues or sale proceeds.
- Property tax base: Once built, new residential units will generate property tax revenue, though likely at a lower rate.
- Cost savings: Affordable housing can reduce reliance on shelters, emergency services, and healthcare, potentially saving money across other areas of the Town's budget.

9.0 Follow-Up Actions

a) Complete site servicing investigations of individual sites and adjust the list of properties to be rezoned as necessary;
b) Schedule and advertise Council public hearing.
c) Report back to Council prior to second reading of the proposed land use bylaw amendments regarding site servicing.

8.0 Communication

A Public Participation Meeting will be held in accordance with the Council-approved Public Participation Policy. The application and this report are available online via Get Involved. Notices were mailed to adjacent landowners. Staff received one letter of concern from an adjacent landowner, citing the following issues:

- Extended construction period negatively impacting enjoyment of their property (e.g., noise, dust, equipment).
- Request for a six-foot privacy fence along the rear property line before construction begins.
- Concerns about impacts on existing evergreen trees, privacy, local ambiance, and wildlife.

Staff response: While the proposed HA-1 Zone does not require a privacy fence to be erected prior to construction, the Zone includes rear yard setback requirements to help maintain reasonable distances from adjacent backyards. It also includes landscaping and tree planting provisions to mitigate the potential loss of mature trees, which offer numerous benefits.

If the Planning Advisory Committee forwards the application to Council, a Public Hearing will be advertised in the local newspaper and online. Notification letters will also be mailed to adjacent landowners in advance of the Public Hearing.

Submitted By:
Martin Beck, LPP, MCIP
Town Planner

Attachments:
Attachment 1 – Proposed Amendments to the Municipal Planning Strategy
Attachment 2 – Proposed Housing Accelerator – 1 (HA-1) Zone
Attachment 3 – Existing and Proposed Zoning Maps
Attachment 4 – Site Location Maps
Attachment 5 – Map with All Lots