

Remarks by Peter Polley
Owner of Polycorp
Standing Committee on Law Amendments
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My name is Peter Polley. I have appeared before Law Amendments on several pieces of legislation over the last several years.

For the last 30 years, my company, Polycorp, has built residential housing – both for rent and for sale – in the north end of Halifax, in Bedford, in Armdale, in Spryfield near Long Lake Provincial Park and in Wolfville.

Unlike many of your witnesses – elected councillors, staff, activists – I actually have experience building housing – and in many cases, affordable housing.

Unlike many of the politicians and bureaucrats who have appeared before this Committee today, I have – to use a favourite term – lived experience in building housing.

One of the major reasons we are in a housing crisis in Nova Scotia and in Canada is because of government.

Governments at the federal, provincial and municipal levels have not made housing a priority.

All political parties and all levels of government are responsible for this failure.

And by and large, governments at all levels have collectively done a terrible job of acting on the advice from those that build housing.

Hearing HRM complain about lack of consultation is quite rich.

Because from my experience, as I told Law Amendments during review of Bill 225, HRM doesn't engage in meaningful consultation with the people and businesses who build housing.

Most of my colleagues in the development industry won't speak out on this, because they don't want to be punished by HRM for speaking out.

Make no mistake – there's not enough money in the world to solve the housing crisis through new investment in public and not-for-profit housing.

Yes, more can and should be done in public and not-for-profit.

But the only way we can actually solve our housing crisis is through a massive amount of new housing construction done by the private sector.

The last few years have not been easy for the development of new housing units in Nova Scotia, in Halifax, in particular.

Yes, the development industry has faced an unprecedented run up in materials and labour costs.

Yes, we have faced simultaneous material and labour shortages.

COVID and its aftershocks have wreaked havoc on project scheduling and supply chains.

Interest rates have almost tripled in the past two years.

Interest rates are now basically double the level that they have been at for most of the past 10 years.

All of these factors, however, shouldn't be used as excuses for governments to do nothing.

These are all reasons for governments to do more, much more to support the private sector in getting homes built.

The status quo is broken in Halifax.

This is why I supported earlier efforts for the Nova Scotia government to take a more active role in housing approvals.

It's why I support the federal government to take a more active role with Halifax City Hall.

And it's why I support Bill 329.

On Thursday, Mayor Mike Savage said we have a math problem in terms of housing.

He said we don't have a city problem.

As an active developer of multiple forms of housing for close to the last 30 years, I can say for a fact that we have many city problems.

City problems that Halifax Regional Council and staff have failed to fix.

City problems that need intervention.

Let's start with city problem #1: HRM Planning.

Our company has a project in the Spryfield area that we are trying to get off the ground, and have been, for several years.

It is 140 acres of fully serviceable land, located entirely within the HRM sewer and water service boundary. One of the largest parcels of land in all of HRM that has consolidated ownership, and all within the service boundary.

We are directly upstream from the Herring Cove sewage treatment plant, with direct gravity flow all the way. You know what they say runs downhill.

This is THE best site in the entire municipality from a sewage capacity perspective to see a large amount of medium density to development occur.

We are surrounded on three sides by over 10,000 acres of Crown land and wilderness.

We have decent Halifax Transit bus service TODAY.

We want to build a net zero community in low rise buildings, with rooftops covered in solar panels, when and if the province ever creates regulations that will let us do so.

At a moderate population density of 25 people per acre, it should be on the way to being a community for 3000+ people.

Imagine a community where new health care workers, students, immigrants, seniors, young families could be living at an affordable rent.

Instead, the land is lying fallow, zoned for large lot single family homes.

Meetings and discussions with HRM staff occur at three-month intervals, after many, many phone calls and emails to organize and plea for meetings to try to move things forward. Every email or phone call requires multiple follow ups to just to get a response. Even an professional acknowledgement that a communication was received and that a response is forthcoming is better than no response.

We are bounced back and forth like a tennis ball between different staff at HRM Planning silos that operate separate from each other, with each pointing the finger at the other silo as being responsible for our file.

At the end of the day, we are told that if we want to make a planning application to develop anything other than large lot single family homes, HRM staff will recommend strongly against it.

Instead, we are told that if we want to build rental apartments, to wait for HRM's Suburban Plan.

We are told that by approximately 2028, if all goes well, that the Suburban Plan will be in place.

Please hold until 2028. HRM recently approved an RFP for a consultant to help start the process.

Does any of this sound like HRM is acting like we are in a housing crisis?

Remember that HRM's much touted Centre Plan took 15 years – 15 years – to be approved.

And we wonder why we have a housing crisis in this city and increasing homelessness!

City problem #2: Density bonusing and inclusionary zoning

Despite repeated attempts in HRM's lengthy Centre Plan process, industry could not engage in a meaningful conversation with HRM staff when the Density Bonus concept was proposed.

One HRM staff person told me, and I quote: "I'm a planner. I don't know anything about economics, and economics is not part of my job." Great – planning done in a vacuum with no consideration for economic reality !!!

HRM's "bonus density" in the Centre Plan is not a bonus at all. Let us call it for what it is – it's a tax on housing development.

Even after Centre Plan was passed into HRM Bylaws, industry was assured that it would be revised to allow project proponents that are actually building affordable housing projects to get a waiver on the Bonus Density fees.

Five years later, nothing has ever been done to deliver on HRM staff's commitment of a waiver on the density bonus on private sector projects that actually deliver affordable housing units.

Five years later, the Centre Plan "density bonus" revenue appears to have morphed into paying for affordable housing operating costs.

Where is the affordable housing that density bonusing was supposed to pay for?

Funding not-for-profits by density bonus revenue has value perhaps – but it doesn't support the construction of affordable housing by the private sector.

In fact, I will give you an example why Bill 329 is needed on density bonusing.

In April 2023, HRM inserted an "**interim bonus density**" in its Mainland South By-Law.

Nobody consulted with me on this change.

Nobody consulted with the Urban Development Institute, our industry association.

I found out another developer was aware – how I don't know.

They complained about this change, but HRM, as is often the case when builders identify problems, did nothing. “Talk to the hand” is how it actually goes.

This change alone will add millions of dollars in added costs to the Spryfield project I just spoke about. Costs that we need to recover from our future residents.

And yet HRM complains about lack of consultation by the Province.

Thankfully, Bill 329 ensures that NEW density bonusing or inclusionary zoning schemes don't add to the cost of building rental units.

I'm not sure it will help me in my efforts to build, but maybe it will protect future projects from HRM's abuse of power.

HRM recently approved a process on inclusionary zoning – prepared, by the way, 18 months after this provincial government gave Council the authority to proceed with inclusionary zoning.

Despite waiting 18 months to do anything on the powers given to them by the provincial government, the HRM staff report on inclusionary zoning blindsided developers.

The staff report appeared to have taken the worst of every inclusionary zoning regime in North America and tried to assemble them as “the road forward”.

I guess this is consistent for HRM that has a staff person who advises development industry stakeholders, and I quote:

“sometimes a consultation is just one party telling the other party the way it’s going to be.”

That’s consultation, HRM style.

City problem #3: HRM costs

It is a sad joke when the Mayor, Councillors and staff say with a straight face: “building permit fees have not increased in years and have not kept pace with inflation.”

In case you don’t know, building permit fees are calculated as a percentage of the underlying costs – like a tax. Construction costs have tripled in the last 20 years.

As costs go up, the building permit fee, even with an unchanged rate costs housing developers more and gives more money for HRM.

How much more money does HRM need to squeeze out of those who need to build more housing?

In my view, Bill 329 doesn’t go far enough. The recently increased building permit fees should be rolled back.

The April 2023 density bonus land development tax in HRM's suburban areas needs to be rolled back. It was called an "Interim Measure". Lets make Interim end today.

In terms of Halifax Water, the Nova Scotia government should direct the Utility and Review Board to investigate why we do not have an aggressive water conservation program that would give people new free low flow toilets and faucets instead of spending hundreds of millions of dollars on new sewer and water infrastructure? Nova Scotia Power needs to have a demand side management [DSM] program – why not Halifax water ? It will save money and water, given the recent drought shortages.

To conclude, I support Bill 329 as a good faith effort by the Nova Scotia government to ensure that HRM is laser focused on getting more homes built.

Right now, HRM is a City Hall awash in bureaucracy, staff reports, plans to nowhere, creating barriers, adding costs, rhyming off excuses and making life harder for those that need to be supported to build housing.

If City Hall did its job to support housing construction, there wouldn't be any need for Bill 329.

If City Hall did its job, they wouldn't be getting letters from federal Housing Minister Sean Fraser putting conditions on their Housing Accelerator Fund request.

HRM needs to stop protecting its turf and complaining about other levels of government.

HRM needs to wake up and take responsibility for their role in the housing crisis.

How many more wake up calls like Bill 329 does HRM need before they realize they are failing to work meaningfully with builders to fix the housing crisis?

If HRM wants respect and wants consultation, maybe they should start practicing what they preach?

Thank you.