

STAFF REPORT

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| Prepared For: | Planning Advisory Committee |
| Submitted by: | Jason Fox, Director of Planning & Development |
| Date: | November 23, 2017 |
| Subject: | Municipal Planning Strategy and Land Use By-law Amendments to introduce new provisions for the reuse and redevelopment of downtown heritage properties. |

Recommendation

No recommendation at this time, report provided for information only.

Background

The housing stock in downtown Truro consists of many large heritage homes and it has proven to be challenging for the Town to devise a successful regulatory framework that encourages the retention and reuse of these dwellings. A large proportion of these dwellings date from the late 1800s and early 1900s and Statistics Canada figures indicate that over 80% of dwellings in the downtown were constructed prior to 1960. Many of these homes are large, with floor areas in excess of 279 m² (3000 ft²), and they often require a substantial financial commitment to cover costs such as general upkeep, heating, and maintenance of unique heritage architectural features. Statistics Canada figures indicate that over 17% of dwellings in downtown Truro require major repairs, significantly higher than the Nova Scotian or Canadian figures of 9% and 7% respectively.

There is minimal demand for these large heritage homes to be used as single unit dwellings. Family sizes are much smaller today than when these homes were built and there are few families who require the square footage that these homes would have to offer. There is little financial incentive for a family to purchase these properties as a single unit dwelling due to significant ongoing maintenance costs and, given that residential property values in downtown Truro are below the provincial average, the common perception is that such a purchase would not be a sound financial choice. Considering the age of many of these homes, it is also unlikely that they are energy efficient and inexpensive to heat. Average household income levels in downtown Truro are 60% of the provincial average, suggesting that there are few residents with the means to take on the high cost of maintaining and heating these homes. There are, consequently, few people in Truro who are willing and who have the means to purchase these homes and occupy them as single unit dwellings.

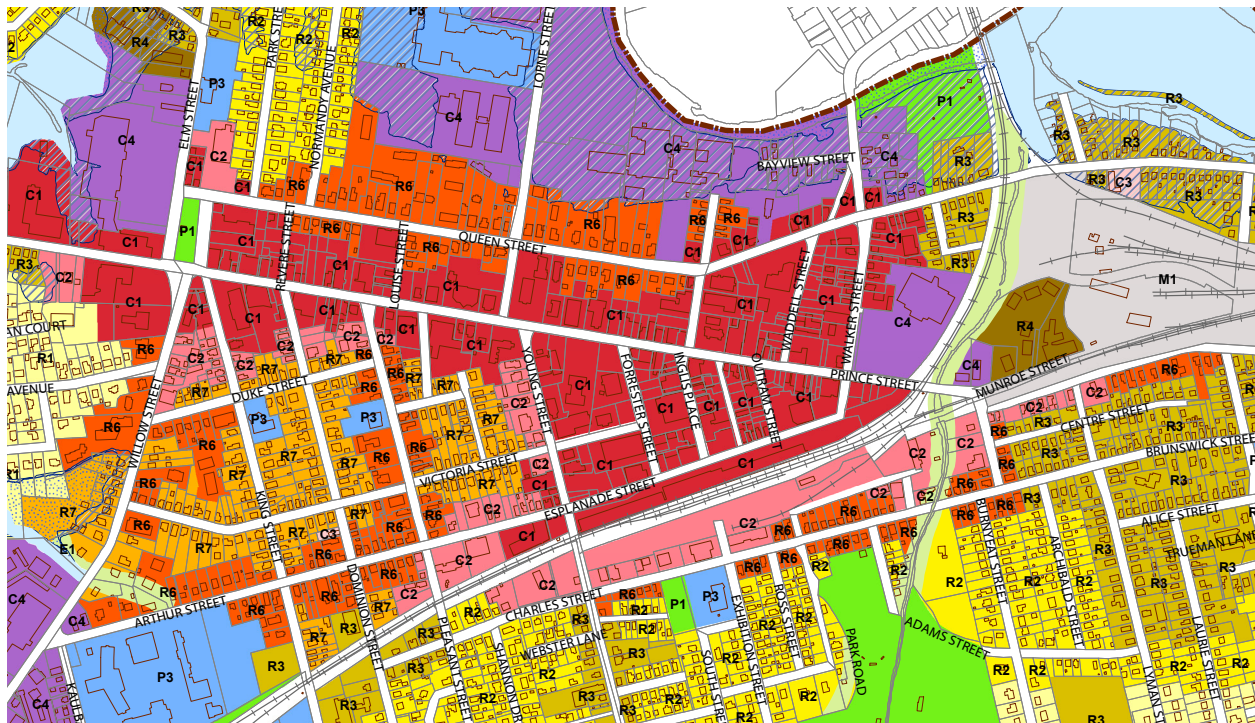
While the market for large heritage homes in the downtown core of Truro has not attracted many buyers interested in them for single unit dwellings, there has been and continues to be developers who are interested in purchasing these homes and dividing them up into smaller dwelling units for the rental market. There is also an ongoing demand for these homes to be repurposed for office space or for other commercial uses. There were many of these conversions in Truro over the past few decades and in some instances the results were favourable and the reuse of the old homes occurred with minimal impact on neighbouring properties and the residential character of the surrounding neighbourhood. In many instances, however, the outcome was unsatisfactory and the residential conversions, in particular, resulted in low quality dwelling units with inexpensive finishes and a lack of amenities such as balconies, parking, and laundry. These units commanded low to modest rents which meant property owners lacked the capital needed to reinvest in and properly maintain these properties, particularly for restoring

and maintaining heritage elements. The result was a decline in the appearance of these properties and a degree of urban decay that has diminished the downtown's appeal to those looking to buy a home. The introduction of more rental units and commercial uses into the downtown residential areas has also contributed to a sense that these areas are in transition. This, in turn, made these areas less appealing to homebuyers looking for a single detached dwelling in a stable residential neighbourhood.

Over the past few decades the Town has struggled to create a suitable regulatory framework that encourages the ongoing use, reuse, and maintenance of these properties in such a way that has minimal negative impact on the residential character of the downtown neighbourhoods. Initial efforts involved introducing parking requirements and limiting the number of dwelling units that could be created in a residential conversion to four. Larger residential developments would be permitted only by development agreement and would require a public engagement process, public hearing, vote by Council and an appeal period. Restrictions were also placed on commercial uses by limiting square footages, signage, and by requiring parking for employees and customers. These regulations proved to be ineffective at preventing some unwelcome conversions and the residential character of the downtown neighbourhoods continued to decline.

The Town consulted downtown residents as part of a review of the Town's Municipal Planning Strategy and Land Use By-law in 2010. These residents asked the Town to further restrict residential conversions and put a stop to larger multiple unit developments in their neighbourhoods. When the new plan was adopted in 2010, it included two new downtown residential zones, the Mixed Use Residential (R6) Zone and the Heritage Residential (R7) Zone. These zones were intended to address residents' concerns but also provide viable options for the reuse of the older homes where appropriate and where the residential character of the properties could be retained.

The Mixed Use Residential (R6) Zone was intended to encompass predominantly residential portions of Arthur Street, Queen Street west of Walker Street, Brunswick Street west of Cottage Street, and East Prince Street west of Wood Street. These properties are situated on the major traffic routes into the downtown commercial area and are highly visible properties with potential for commercial uses. It was, however, also Council's intent that any commercial use of these lands be limited in nature in order to preserve the residential character of these neighbourhoods.



Excerpt from the Town's Land Use By-law Zoning Map showing the downtown area the Mixed Use Residential (R6) and Heritage Residential (R7) Zones in orange and light orange respectively.

The R6 Zone was designed to provide a live-work option for local artists, craftspeople, and home based businesses that require a limited retail component. The R6 Zone permitted a limited range of non-residential uses such as office and professional uses, personal service shops, small restaurants, day care centres, and other uses that can be accommodated within a residential style structure while still maintaining the residential character of the property. The R6 Zone was designed to apply to downtown residential areas that have been subjected to extensive redevelopment, conversions, demolitions, and where the housing stock is in need of revitalization. Council wanted to encourage reinvestment in these properties while at the same time recognizing that a range of development opportunities should be available to ensure that investment in these properties is a viable and attractive option. It was, however, recognized that the development of these lands should not have a negative impact on the integrity of the surrounding residential neighbourhoods and that any new structures would be required to contribute to the development, preservation, and enhancement of downtown heritage streetscapes. For these reasons, Council chose to permit more intensive residential uses in the R6 Zone, but only by development agreement and only where special consideration would be given to design details.

The Heritage Residential (R7) Zone was intended to apply to lands within the Town's three heritage districts to preserve the heritage character and sense of neighbourhood that still exists in these remnants of what was a much larger and cohesive downtown residential area. The R7 Zone included other areas of the downtown where groups of heritage homes form streetscapes that retains most of the original housing stock. In addition to the three heritage districts, this zone was applied to portions of Willow Street, Victoria Street, Duke Street, and King Street. The R7 Zone permitted only single unit dwellings along with a limited range of conversions and mixed use developments.

In an effort to reverse the decline of downtown neighbourhoods the R7 Zone was set up to only permit the conversion of single unit dwellings into a maximum of two units. It was felt that this would allow homeowners to supplement the cost of maintaining larger homes with an accessory unit and also contribute to the Town's efforts to attract more residents to the downtown. The R7 Zone permits office and professional uses, personal services, and bed & breakfasts. In addition to these uses and the two unit conversions mentioned earlier, other permitted uses include single unit dwellings and new two unit dwellings that maintain the look of a single unit dwelling.

Since the new zones were put in place there have been only a few applications to covert existing dwellings into more than 2 units and the new regulations seemed to effectively address design concerns and any issues related to the compatibility of the proposal with surrounding residential uses. There have also been a few requests to convert some of the larger homes into more than two units but the prospective developers withdrew after considering the prospect of having to go through a development agreement application. In these cases it is likely that the Town is better off not having had these conversions go through. If a developer is not willing to prepare and submit detailed plans for review and approval, it is probable that they are not the kind of developer the Town needs.

The Town has, on the other hand, received other proposals which would have resulted in the reuse of some very large and prominent heritage properties in our downtown. In some of these cases the developers were proposing to make significant investments in the restoration and maintenance of these heritage dwellings. Unfortunately, these proposals were abandoned because of the requirement for a development agreement or because the existing regulations did not accommodate the proposal.

A proposal to redevelop the former Armstrong Insurance property at 36 Dominion as vacation rental units and a bed & breakfast could not be accommodated under the R7 Zone. This 335 m² (3600 ft²) 5 bedroom home is currently vacant and has been for several years. Another proposal to convert the old funeral home at 135 Victoria Street into a spa and two dwelling units was not permissible under the R7 Zone requirements and the developer abandoned their proposal. This 539 m² (5800 ft²) 7 bedroom home had been for sale for several years but it has recently been purchased and will apparently remain as a single dwelling unit. Another recent proposal involves a formal medical office at 67 Dominion Street. This large heritage property also included a dwelling unit on the second floor. The property has been purchased and is currently being used by the Central Nova Women's Resource Centre (CNWRC) for office space. The CNWRC is permitted to use this space for offices, board meetings, resource centre, and counselling services but they are currently unable to offer workshops and programming at this location due to the R7 Zone requirements. Another recent redevelopment of a former heritage property is the renovation

undertaken at 64 Pleasant Street (northwest corner of Pleasant & Victoria Streets). This project involved the renovation of a large heritage property that had previously been converted into 10 units. The renovation project also included a two unit accessory building. This project has made a significant improvement to the adjacent streetscapes and it has been well received by the community. This project would be permitted in the current R6 Zone through a development agreement process. It would not, however, be permitted in the R7 Zone and some elements of the proposal, such as the accessory dwelling units in the old carriage house, are not generally permitted by the Town's land use regulations.

These are a few examples of the types of proposals that are coming forward for the reuse of some of the large heritage homes in the downtown area. If the Town's land use regulations do not accommodate these types of redevelopment proposals, there is a risk that many of the larger heritage homes in the downtown will remain vacant or will fail to attract the types of buyers who have the means and who are willing to reinvest in these homes.

Current Regulations

The following is a general overview of the current provisions in the R6 and R7 Zones regarding commercial uses and residential conversions. For the complete text of these regulations consult sections 5.7 and 5.8 of the Town's Land Use By-law.

- a) All development, including new construction and conversions, is to comply with the architectural design requirements set out in the R6 and R7 Zones. These requirements are intended to preserve and enhance the heritage characteristics of downtown neighbourhoods.
- b) Purpose built (i.e. not a conversion) semi-detached dwellings and 2-unit dwellings are permitted as-of-right (no development agreement required) in the R6 Zone.
- c) Purpose built semi-detached dwellings are permitted as-of-right in the R7 Zone.
- d) Purpose built 2-unit dwellings are permitted as-of-right in the R7 Zone but the structure must have only one exterior entrance facing the street.
- e) Conversions of single detached dwellings to create up to 2 dwelling units are permitted as-of-right in both the R6 and R7 Zones. Any new exterior entrance must be on the side or rear of the dwelling.
- f) Purpose built 3-unit dwellings and conversions resulting in 3-units are permitted only by development agreement in the R6 Zone.
- g) Townhouses with up to 4-units are permitted as-of-right in the R6 Zone.
- h) Multiple unit residential proposals (more than 3 units) are permitted only by development agreement in the R6 Zone (excepting townhouse style proposals with up to 4 units).
- i) The maximum number of dwelling units permitted in the R7 Zone is 2. There is no provision for multiple unit proposals in the R7 Zone by development agreement.
- j) Home based businesses (office and professional uses, personal services) are permitted as-of-right in both the R6 and R7 Zones provided the use is within a residential dwelling unit, the business owner lives in the dwelling, and the external appearance of the dwelling is consistent with a residential use. The business may only have two employees, a maximum floor area of 80 m² (861 ft²), limited signage, and a small retail component. The use is required to have sufficient off-street parking in a rear or side yard that is screened from neighbouring properties.
- k) A limited range of commercial uses (office and professional uses, personal services, and artist studios) are permitted as-of-right in both the R6 and R7 Zones. The commercial use must share a structure with a single residential dwelling unit and occupy less than 50 percent of the structure's floor area above grade. The use may have a retail component provided it occupies less than 25 percent of the commercial floor area. Signage is permitted but limited. The use is required to have sufficient off-street parking in a rear or side yard that is screened from neighbouring properties and access for the parking area must not be a shared driveway.

- l) In the R6 Zone, a “café” is also permitted as-of-right as a commercial use in addition to professional uses, personal services, and artist studios.
- m) Accessory Dwelling units are not permitted in the R6 or R7 Zone.

Proposed Amendments

Staff have not prepared a set of draft amendments at this time. Staff have several ideas on how the Heritage Residential (R7) and Mixed Use Residential (R6) Zones could be amended to better respond to market pressures and accommodate a broader range of reuse opportunities for the large heritage properties in the downtown. At this point, it was felt that these ideas should be discussed in general terms before a detailed amendment package is prepared. Once the Planning Advisory Committee (PAC) has provided more direction to Staff, a full amendment package will be prepared and presented at the next PAC meeting. For discussion purposes, here is a general list of proposed amendments:

- a) Add “Accommodations” to the list of permitted uses in the R6 and R7 Zones. This would include bed & breakfasts, vacation rentals (“Airbnb” type accommodations), tourist inns, etc. This provision should include a restriction on the number of bedrooms permitted.
- b) Increase the limit on dwelling units for residential conversions in the R6 and R7 Zones from 2 units to 4 units, provided the minimum net floor area of each unit is 85 m² (915 ft²) for up to two bedrooms, plus 14 m² (150 ft²) for each additional bedroom up to a maximum of 4 bedrooms. It is proposed that no residential conversion be permitted to include units located entirely or partially below grade. Unique standards should be introduced for the provision of outdoor amenity space and parking for these dwelling units created in converted dwellings.
- c) Allow purpose built multiple unit dwellings up to 4 units in the R6 and R7 Zones provided they fully comply with the architectural design standards set out in these zones. This would include removal of the requirement that all new construction maintain the external appearance of a single detached dwelling.
- d) Eliminate the section applying to “home-based businesses” in both the R6 and R7 Zones and consolidate all requirements for business uses under the “commercial uses” section. All commercial uses in the R6 and R7 Zone would then be subject to the same set of regulations. This change will also help eliminate some confusion because the “home-based businesses” requirements are essentially a duplication of the “commercial uses” section. This change will have minimal impact on development since commercial use provisions are more permissive and effectively cover the types of development that are currently permitted under the home-based business.
- e) Consolidating the home based business and commercial use provisions would remove the requirement that a home-based business owner live in the dwelling where the business use is located. This requirement is effectively impossible to enforce.
- f) Consolidating the home based business and commercial use provisions would also remove the floor area limit prescribed for home based businesses. The current maximum floor area is 80 m² (861 ft²). The commercial uses section regulates floor area as a percentage of the whole structure’s floor area above grade.
- g) Allow commercial uses to expand throughout a structure provided the architectural design requirements are adhered to and the residential character of the structure is maintained. The expansion of the commercial use throughout the entire structure could be considered by development agreement or site plan approval to ensure that issues of compatibility and residential character are addressed.
- h) Allow the parking area for a commercial use to be accessed via a shared driveway.
- i) Allow accessory dwelling units in the R6 and R7 Zones subject to certain minimum standards such as yard size and setbacks as well as the proposed requirements for dwelling units (minimum floor area, amenity space, parking requirements).

Analysis

Amendments to the Municipal Planning Strategy (MPS) are generally only considered by Council when it can be demonstrated to Council's satisfaction that the current planning policies need to be reevaluated. MPS Policy IM-8 states that it shall be a policy of Council to only consider amendments to the MPS when: there is an apparent need to change policy due to changing circumstances; additional information is identified or studies have been undertaken which identify the need for an amendment to the strategy; or a Provincial Policy change requires a change in policy by the Town. In this instance, it has become apparent that the regulations concerning the reuse of large single unit dwellings in Truro's historic downtown residential neighbourhoods may be precluding development proposals that would see the reuse and restoration of these old homes. It is also apparent that there is a limited market in the Truro area for these large old homes, particularly if the reuse options are limited to low density residential uses. This suggests that it may be time for the Town to consider amendments to its downtown residential policies and to the Mixed Use Residential (R6) and Heritage Residential (R7) Zone regulations.

At this point Staff have not prepared a detailed amendment package. Once PAC has had an opportunity to discuss the issues outlined in this report and give direction to Staff on the types of changes they would like to see, Staff will prepare draft amendments as well as a detailed analysis.

Public Participation

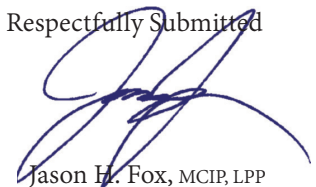
The Planning Advisory Committee (PAC) and Council typically deal with planning applications that involve a specific development proposal on a specific property. For these applications it is appropriate, and required by policy, that area property owners are notified and that a sign be posted on the subject property. It is not practical to follow the same public notification procedures for a Municipal Planning Strategy (MPS) amendment where there is no specific development proposal and where the subject area included multiple properties. The proposed amendment does not include a specific development proposal and it involves 470 properties in the R6 Zone and 295 properties in the R7 Zone. Planning Staff are, therefore, recommending that the proposed amendment not be processed as a typical site specific application. Instead, Staff are recommending that the amendment follow the standard public participation process for MPS amendments as set out in the Municipal Government Act.

The normal procedure for amending the MPS involves a review of the proposed amendments by PAC. As part of its review, PAC typically holds an advertised public information meeting to present the proposed amendments. PAC then makes a recommendation to Council taking into consideration any feedback from the public information meeting. Council would then hold an advertised public hearing to consider the amendments. Following the hearing, Council votes on the proposed amendments. The amendment is then subject to a review by the Province and may require the approval of the Minister of Municipal Affairs. MPS amendments are not subject to appeal to the Nova Scotia Utility and Review Board.

Conclusion

Planning Staff have prepared a list of potential amendment options for consideration by PAC members. It is expected that the Committee will, following a discussion of each amendment option, give direction to Staff on which amendments they would like to see move forward for further consideration and analysis. Staff will return to the Committee with an amendment package, report and recommendation. At that time it is expected that the Committee will schedule an advertised public information meeting where the proposed amendments will be presented to the public. Given that the proposed amendments impact Truro's heritage districts and several municipally designated heritage properties, it is also recommended that these proposed amendments be forwarded to the Heritage Advisory Committee for review and recommendation as well.

Respectfully Submitted



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Director of Planning & Development