

# Staff Report to Council

**Title:** Municipal Lands –  
Considerations

**Report Number:** CAO-2023-29

**Director:** Chief Administrative Officer

**Manager:** Manager.

**Meeting Date:**  
Wednesday, September 27, 2023

**Date to be considered by Council:**  
Wednesday, September 27, 2023

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## Recommendation:

THAT Council direct staff to provide a draft by-law to amend the comprehensive zoning by-law to remove minimum floor area requirements;

AND THAT Council direct staff to report back on surplus properties identified for market sales;

AND FURTHER THAT Council direct that staff arrange for Council discussion at a future Council Workshop regarding other options identified in the staff report.

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## Executive Summary:

There is potential to use public surplus land for redevelopment and potentially affordable housing. Council is interested in investigating options for use of public lands to support an increase in housing supply in the municipality.

## Strategic Priorities:

B.7-Ensure municipal facilities and owned lands make the best use of each asset

B.5-Evaluate and proactively plan for infrastructure to meet population growth and long-term sustainability

## Financial Considerations:

Surplus public lands can refer to land, either vacant or underutilized, that is not required for the delivery of government services. Any property within the municipality's portfolio that is no longer required for municipal purposes may be classified as surplus and a disposition

process may be initiated. The sale of surplus lands reduces ongoing operating costs and may minimize risks associated with maintaining properties in the portfolio.

### **Policy:**

Municipality of Kincardine Housing Action Plan, September 2022 -  
<https://www.kincardine.ca/en/build-invest-grow/resources/Housing-Action-Plan---approved89.pdf>

Action 2.3: Conduct a review of all municipal, provincial, and federally owned lands and assets in the Municipality that may be deemed surplus or underutilized and could potentially site future affordable housing projects.

Related Policy: Bruce County Housing and Homelessness Plan  
[https://www.brucecounty.on.ca/sites/default/files/housing\\_homelessness\\_update\\_web.pdf](https://www.brucecounty.on.ca/sites/default/files/housing_homelessness_update_web.pdf)

### **Context and Background Information:**

Staff provided an inventory of municipal lands that council could consider for potential sale and redevelopment for housing units.

Council directed staff to work with Bruce County staff to review the lands identified by Municipality of Kincardine staff as potential lands for development to support affordable and attainable housing goals and bring back a report on consideration for next steps.

Municipal and County staff met to discuss a variety of options, as well as setting up meetings with other parties to hear proposals regarding small home/tiny home initiatives.

Staff are providing a number of considerations and seeking direction for next steps. It is recommended that options be considered in a phased manner.

### **Options for Consideration**

#### Rethink Zoning – Eliminate Minimum Floor Area Requirements

To allow for more housing options to be built in the municipality, Council could consider removing minimum size requirement standards set out in the current zoning by-law. If this is removed, the requirements of the Ontario Building Code would establish the minimum size, which is 17. 5m<sup>2</sup> (188 ft<sup>2</sup>). Removing the restriction for minimum size can open up options for tiny home development.

This could be done through an amendment to the zoning by-law. Some neighbouring communities in Bruce County have enacted such changes to remove the unit size regulation from the zoning by-law.

Removing zoning by-law requirements eliminates the duplication of regulating dwelling sizes. This is a simple barrier reduction to provide more units at a lower cost.

If this option is chosen it is expected to have a shorter turn-around time for implementation.

#### Small Home Associations/Workforce Housing/Tiny Home Builders

Staff met with representatives of small home associations, builders of tiny homes, and builders of small units which could be leased for workforce housing.

*Tiny Homes on Private Property* - If council were to eliminate the zoning requirements for minimum size for dwelling unit and rely on the Ontario Building Code, it reduces a potential barrier for those who may wish to purchase a tiny home for their property. Supporting such types of development could include a municipal communication strategy that outlines the change to help the community and potential new community members to understand the simplicity of erecting such a structure.

*Small Home/Tiny Home Associations* – There are currently associations seeking available lands (e.g., municipal lands, lands owned by charitable organizations) for the development of tiny homes associations. Some models work like a housing cooperative with directors that govern and oversee the management of the cooperative, with individuals applying for memberships. The concept demonstrated to staff were of small parcels of land used which included individual tiny homes, with community space for those living in the area which include shared amenities. There may be a community group that owns land which could be used to partner on this type of project, or council could consider exploring a parcel of municipal lands that could be potentially used for this purpose. This is a new type of development, and as such there is generally risk associated with a model that has not been well-tested.

*Workforce Housing* – Another example related to small housing units relates to workforce housing. Some resort communities have invested in affordable housing units to support space for seasonal local employees. In a presentation to staff one firm highlighted an approach that would include installation of small housing units that could be leased out to a corporation who would then determine which workers would be assigned to a unit. The municipality could initiate discussions through economic development to determine if local industries would be interested in this type of model.

These options benefit from the option to Rethink Zoning.

#### Working with Bruce County Housing Authority

There are 47 service managers across Ontario that can assist with housing options. Bruce County is the service manager for this region. There are a range of housing supports provided, including such supports as public housing, rent supplement programs, and supportive housing <https://www.brucecounty.on.ca/housing-services>.

Kincardine could look to partner with the County by making municipal lands available to the county to assist with the following:

- Develop affordable housing and/or mixed with market housing;
- Release a Request for Proposals for potential developers to build affordable housing with a service/funding agreement with specifications associated with an affordability period and reporting requirements;
- Similar to the above, but with an agreement with the County of Bruce to manage the property.

Partnerships with the County for these types of opportunities are recommended, as there is a lack of local staff capacity to produce and oversee such agreements. Additionally, there is currently no staffing tasked with managing municipal real estate.

### Sell at Market Value

*Sale of Lands at Market Value* - Council could deem certain properties surplus and list them for sale to obtain market value. Funds could be used to support other housing-related efforts.

*Sale of Lands at Market Value, with conditions to require development property to dwelling maximize units* – Council could deem certain properties surplus and request proposals to require that the lots be development with the maximum number of units available to develop as of right.

Vacant lots at Birchwood Avenue and Inverhuron are examples of properties that may see private market interest for housing development.

Lands on Main Street in Tiverton could be targeted for commercial development to support a growing community.

### Make Lands Development Ready

Council could identify a particular parcel of municipal land that is not currently development ready and investigate the feasibility for future residential development. This would require direct investment be undertaken through studies to determine if it could be made available to the market for residential development (e.g., environmental assessments, traffic, archeological studies, planning brief, survey, listing of requirements for potential plan of subdivision or condominium on the lands, etc.). A nearby example of this was in North Huron, where the municipality opted to invest in a variety of required studies and assessments on a parcel of municipal property and then issued a request for expressions of interest for development concepts detailing the type of housing that could be constructed on the site.

A property like Elgin Market Park and Former Landfill and all or part of the lands identified for Tiverton Cemetery expansion could be explored for potential development readiness. This could also potentially be linked to working with Bruce County Housing Authority for an RFP for a build of affordable housing.

### **Consultation Overview:**

The Kincardine Development Team, which includes representatives from all departments and county planning and housing discussed options and opportunities related to municipal surplus lands.

Kincardine has also consulted for input on an Housing Action Plan and Economic Development Strategy.

### **Origin:**

May 15, 2023, Council Resolution – THAT staff be directed to work with Bruce County staff to review the lands identified by Municipality of Kincardine staff as potential lands for development to support affordable and attainable housing goals and bring back a report on consideration for next steps.

Housing Action Plan

## **Implementation Considerations:**

The Municipality of Kincardine is not structured to directly be involved in housing development. Local municipalities in a two-tier system generally support housing and other developments through investment in infrastructure required to support many types of development (e.g., water system, wastewater system, roads and sidewalk network, provision of first responders, community recreation opportunities).

## **Risk Analysis:**

Risk of Status Quo - There is a local, regional, provincial, and national need for housing supply growth. Governments do have opportunities to reduce barriers and invest in initiatives that support a range of housing needs. In the Municipality of Kincardine, themes, and ideas for improving housing in the municipality were highlighted, including the use of municipal lands and assets for housing.

In our area, municipally approved developments for housing are not moving as quickly as in some other communities.

Risk of NIMBYism - The Ontario Human Rights Commission notes that there is almost always opposition to affordable housing developments <sup>1</sup>. It provides information about common “Not in My Backyard” myths that can be dispelled.

Risk Aversion – Innovation and entrepreneurial approaches of doing new things, or doing things differently, is inherently risky, as there is a chance of failure. Given that government activities are largely funded through public taxation, there is a general aversion to taking a risk on an initiative that comes with a degree of the unknown and the possibility of unfavourable outcomes. Risk arises out of uncertainty related to exposure to potential damage or loss.

Risk of Trying to Do Too Many Things – As noted in the report, the Municipality of Kincardine does not have dedicated staff resources related to managing properties, implementing affordable housing project, as a result there is a risk of trying to undertake too many of the options all at once.

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**Links:** <https://experience.arcgis.com/experience/9eb23c4d04734f169ba0e6d889870a3b>

<https://www.kincardine.ca/en/play-and-explore/resources/Documents/What-We-Heard-report-on-Housing---September-2022.pdf>

**Prepared by:** Jillene Bellchamber-Glazier, CAO

**Submitted by:** Jillene Bellchamber-Glazier, CAO

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<sup>1</sup> <https://www.ohrc.on.ca/en/zone-housing-human-rights-and-municipal-planning/overcoming-opposition-affordable-housing>