

HALIFAX

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Item No. 11.1.17
Halifax Regional Council
September 22, 2020

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed by 
Jacques Dubé, Chief Administrative Officer

DATE: August 26, 2020

SUBJECT: **Homes for Heroes Foundation, Clustered Tiny Homes and Surplus
Municipal Land for Affordable Housing**

ORIGIN

On January 15, 2019 the following motion of Regional Council was put and passed:

“THAT Halifax Regional Council request a staff report to determine what steps would be necessary to accommodate a program known as Homes for Heroes in the HRM. This program offers housing for homeless vets in small scale development on sites between one half to two acres in size.”

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter (HRM Charter), Part III – Powers and Part VIII Planning & Development

RECOMMENDATION

It is recommended that Halifax Regional Council direct the Chief Administrative Officer to:

1. Consider developing planning policies to enable clustered tiny home developments through the By-law Simplification program, Regional Plan Review and Land Leased Community By-law review; and
2. Explore the five approaches, outlined in the Discussion section and Acquisition of Municipal Land sub-section of this report, regarding potential approaches to leveraging surplus municipal land for affordable housing.

BACKGROUND

Homes for Heroes Foundation is a registered charity based in Alberta that strives to ensure a successful transition to civilian life for Canadian veterans by providing housing, a community of peers and a support structure that creates a sense of place and belonging¹. The Foundation hopes to develop a clustered community of “tiny homes” in HRM that would accommodate veterans transitioning from military service to civilian life. In response to Homes for Heroes interest in HRM, Council has requested information on the steps required to accommodate a project by the Foundation in the Municipality.

Homes for Heroes Foundation and Proposal

The Homes for Heroes Foundation is a registered charity that was created for Veterans by Veterans in response to the growing number of military veterans who experience difficulty returning to civilian life. According to the Homes for Heroes Foundation website, for approximately 25% of Canadian Armed Forces members, the process of being released from their military career back into their community can be stressful and complex. The Homes for Heroes Foundation model provides affordable housing that includes support services to help the veteran re-enter mainstream society. It is designed to be transitional and as such it is anticipated that a veteran would live in the tiny home community one to three years, or whatever length necessary, before transitioning to more permanent housing. The Homes for Heroes Foundation model has many similarities with co-housing or supportive housing models. Each veteran would have their own private living quarters while also sharing many amenities. The Homes for Heroes Foundation indicates that ideally 20 to 24 homes would be developed on a single lot that is between 0.5 and 2 acres (0.2 and 0.8 ha) and located in an area of the Municipality that has access to transit and is in close proximity to services and amenities. They are currently in search for a suitable property for a development in HRM and have expressed interest in municipally donated or leased land.

The Homes for Heroes Foundation opened their first village in Calgary in the fall of 2019 and construction is already underway for another village in Edmonton. Homes for Heroes Foundation is also working with the City of Winnipeg and three municipalities in Ontario with the goal to open additional tiny home villages throughout Canada in the upcoming years.

Clustered Tiny Homes - Municipal Land Use Policies and Regulations

Tiny homes, in general, are smaller and more efficiently designed single unit dwellings (SUDs). They can be designed with a fixed foundation or can be mobile (Tiny Homes on Wheels). The Nova Scotia Building Code Regulations define a tiny home as a dwelling unit which is less than 37m² in building area. Tiny homes have gained increasing popularity by those looking to downsize or lessen their ecological footprint. They also provide an opportunity to serve as an affordable type of housing unit due to the more economical construction (compared to other SUDs) and as they generally consume less energy.

As tiny homes and clustered developments in urban settings are a fairly new concept, existing municipal planning documents generally do not contemplate the use and often pose a barrier to their development.

Land Use By-laws (LUBs)

The majority of the 22 LUBs do not allow for more than one main dwelling or one main building per lot. Several LUBs also include minimum size requirements for dwellings that would prevent tiny homes from being developed. The majority of LUBs permit a trailer or RV, including a tiny home on wheels, to be parked on a property. However, most LUBs prohibit human habitation in vehicles.

While clustered tiny home developments are generally not permitted as-of-right, there have been cases where such developments have been permitted under existing land use provisions, through unique building designs that have connected the tiny home to the main dwelling through breeze ways. Most notable examples include developments on Hunter Street and Stanley Street in Halifax.

¹ <https://homesforheroesfoundation.ca/>

Discretionary Approvals

Depending on the plan area and applicable policies, there may be the ability to consider a clustered tiny home development by development agreement. For example, Schedule Q policies, found within the Halifax SMPS, that allow for the consideration of residential development through a development agreement, are broad enough to consider clustered tiny home developments. Similarly, Comprehensive or Residential Development Districts (CDD & RDD) policies, found within several SMPSSs, are also broad enough to consider clustered tiny home developments, although such policies generally require larger lots of 5 acres or more.

Some discretionary approval policies that allow for shared housing, such as seniors housing or residential care facilities, may allow clustered tiny home developments that include a care component. For example, the Timberlea / Lakeside / Beechville SMPS could allow consideration of a residential care facility in the form of a clustered tiny home development through a development agreement, as the policy emphasizes the residential care use as opposed to building form. While there is some potential to consider a clustered tiny home development through a discretionary approval process, it is important to note that this is due to the broad nature of the enabling policies, and not because clustered tiny home developments are specifically considered.

The Regional Plan does consider clustered single unit dwelling development on a single lot through conservation design development agreement proposals. However, these types of developments are intended for rural areas, often without central water or sewer services. As such, the conservation design developments would not be appropriate for a Homes for Heroes Foundation proposal given their interest in an urban setting that is located close to transit and community services.

Mobile Homes

There are several similarities between tiny homes and mobile homes. Both are smaller than a traditional single-unit dwelling and can be constructed off-site and transported to a lot. While both uses could be considered a single-unit dwelling, most of the LUBs differentiate between a single-unit dwelling and mobile dwelling. The majority of LUBs only permit mobile homes within mobile home parks. Some of the LUBs in rural areas will permit a mobile home on an individual lot, while others specifically do not permit the use at all or are silent on the use. One plan area only allows mobile homes by development agreement.

There are currently three by-laws that govern the development of mobile home parks throughout the Municipality. Over the past several years staff have been working to combine the by-laws to provide a consistent and updated approach to regulating mobile home parks through a new Land Lease Community By-law.

National Building Code

In January 2019, the Provincial Building Code adopted new regulations for tiny homes. However, tiny homes on wheels are not considered structures and are therefore exempt from the Building Code. Similar to a mobile home, tiny homes on wheels would be subject to meeting the Canadian Standards Association (CSA) requirements for trailers or recreational vehicles. For clarification, a tiny home on wheels that is placed on a permanent foundation would be required to comply with the Building Code.

Surplus Municipal Property

To provide affordable housing for veterans, the Homes for Heroes Foundation indicates that it requires land at little or no cost. The following outlines HRM's existing processes for providing surplus municipal lands to non-profit housing interests.

Administrative Order 50: Community Interest Category

Administrative Order 50, Respecting the Disposal of Surplus Real Property ²(AO50) lays out the process for the disposal or sale of surplus municipal property. AO50 was implemented in 2013 to provide a transparent and consistent process for the disposal of surplus municipal real property. The policy makes a clear distinction as to the intent of sale by assigning a property to one of six (6) categories.

² <https://www.halifax.ca/city-hall/legislation-by-laws/administrative-order-50>

- Economic Development;
- Community Interest;
- Ordinary Sale;
- Remnant;
- Extraordinary; or
- Intergovernmental Transfer

Although non-profit and charitable organizations can and do participate in market value offerings, any consideration of a less than market value sale is restricted to registered non-profit and charitable organizations. These potential disposals are considered under the Community Interest category, which is described under Section 2(b) of AO50 as:

*“Properties known to have potential for community use, in particular where:
(i) there has been a prior community or institutional use of the property; or
(ii) by location, scarcity of available property the consideration would reasonably arise”*

Before a property is categorized, Corporate Real Estate will advise the local Councillor and Community Council who will have the opportunity to contact the local community to gauge interest in the property. Corporate Real Estate will prepare a Surplus Property Report to Regional Council with a recommendation identifying if the property should be considered surplus and if it should be considered within the community interest category.

Once deemed surplus within the Community Interest category, AO50 allows for the sale of properties through a call of submissions or direct sale. The evaluation of proposals within the Community Interest category includes an inter-departmental team comprising staff from Finance, Asset Management & ICT and additional staff according to the intended use(s) proposed by applicants. The evaluation takes into account the benefit to the community, benefit to the Municipality, operational viability, and compensation. It is important to note that the administration of the process requires significant staff resources.

The timeline between when a property is deemed surplus and advertised for a call for proposal can take several months or longer depending on the complexity of any encumbrances on the property.

Under the AO50 process, Homes for Heroes Foundation is able to seek surplus Municipal land at or below market value by responding to calls for submissions made under the community interest category. Council routinely issues calls for submissions under this process and no specific Council direction is needed for the Homes for Heroes Foundation to participate and potentially acquire surplus municipal land through this existing process. However, the ability for the Homes for Heroes Foundation to successfully acquire surplus municipal land would depend on the availability of suitable land (0.5 to 2 acres in size, close to transit and services), and their ability to submit a successful proposal, in potential competition with other non-profit interests.

Lease of Municipal Property

While ownership of land is generally preferable by non-profit housing interests, the *HRM Charter* enables the ability to lease municipal land at market or less than market value. Most lease agreements currently in effect were initiated prior to amalgamation and in some cases, were used in the absence of a grant program or in relation to intergovernmental initiatives. The duration of these land leases tended to be lengthy, presumably to coincide with the life expectancy of the building and/or financial arrangements.

Although a long-term land lease agreement may be appropriate in some instances there are risks to consider including an early termination of a lease where the Municipality may be encumbered by a building for which it has no operational purpose. These risks could be reduced through terms and conditions applied to the initial land lease agreement.

Grants and Contributions

Homes for Heroes is a registered non-profit that aims to provide transitional housing to address homelessness among veterans using a case management model to aid re-integration. As such, this form

of housing would be eligible for funding consideration under the Community Grants Program. Capital grants of up to \$25,000 can be awarded for property acquisition as long as the applicant demonstrates that they can complete the purchase prior to March 31 of the fiscal year either through their own resources, confirmed funding commitments, or a pre-approved mortgage.

Through the adoption of the Centre Plan, developments within the Regional Centre that are eligible for incentive or bonus zoning, are required to provide 60% of their public benefit contribution as money in-lieu for affordable housing. Staff are in the process of developing a grant program specific for non-profit affordable housing providers. This may include an option to provide financial assistance for non-profit housing organizations seeking land.

DISCUSSION

Council's request for information on accommodating the Homes for Heroes Foundation proposal in HRM can be divided into two parts:

- 1) the planning process needed to allow a potential clustered tiny homes development; and
- 2) acquisition of municipal land.

Planning Process Needed to Allow a Clustered Tiny Homes Development

Depending on location, the Homes for Heroes Foundation would likely be required to undergo a discretionary planning approval process either in the form of a development agreement or in most cases an amendment to the applicable Secondary Municipal Planning Strategy (SMPS). Both types of discretionary approval processes require public consultation and Council review. A SMPS requires Regional Council initiation of the project scope and public engagement process. Amendments to a SMPS are considered a major undertaking and are generally not considered unless it can be shown that circumstances have changed since the document was adopted to the extent that the original land use policy is no longer appropriate. Although timelines will vary, a discretionary approval process that is enabled by existing policies takes approximately 12-18 months, while a SMPS amendment process can take over 24 months.

In addition to the Homes for Heroes Foundation proposal, interest in clustered tiny homes within HRM is growing. United Way Halifax is exploring tiny homes as a means of developing affordable housing and improving quality of life. In addition, a sub group of Between the Bridges³ is looking at the development of tiny homes as a means for affordable housing in Dartmouth North. Many municipalities throughout North America already allow clustered housing, including tiny homes, within general multi-unit dwelling zones. In Nova Scotia, the Municipality of East Hants and Town of Yarmouth have recently adopted amendments to their planning documents to specifically allow and expand the development of tiny homes. While the specific controls vary, common controls on clustered housing developments include density, home and lot design, parking, and common open space and amenity area requirements.

Given HRM's inconsistent planning policy context, and the lengthy application process that the Homes for Heroes Foundation and other interested groups would need to follow, staff advise that there is a need to update the Municipality's approach to clustered housing throughout the Municipality. Given this need, staff recommend that provisions for clustered housing be considered through the Plan and By-law Simplification, Regional Plan Review, and Land Lease Community By-law programs. In considering allowing clustered housing forms in more areas of the Municipality, the review will consider:

- experiences with existing clustered housing forms in HRM;
- best practices from other jurisdictions;
- controls on density, design, parking and amenity/open space;
- regional differences throughout the Municipality and if clustered housing is appropriate in all areas;
- removing barriers within existing planning documents to enable the development of single tiny homes; and

³ <https://inspiringcommunities.ca/communities/dartmouth-north/>

- on-going work related to HRM's Mobile Home Park By-laws.

Acquisition of Municipal Land

On July 31, 2018, Council endorsed the Affordable Housing Work Plan that includes direction to explore the potential to leverage surplus municipal land to support affordable housing developments. As part of the work plan, staff surveyed municipalities throughout the country on how they leverage surplus land to support affordable housing. Five common approaches are observed regarding making surplus municipal land available to affordable housing developments:

- 1) Ad Hoc: Surplus land is considered for affordable housing on a case-by-case basis. Affordable housing developers/groups may have to compete with other interested parties for land or in some cases Council makes a specific motion that a specific property be used for affordable housing.
- 2) Specific Land Category for Affordable Housing: Surplus land is assessed by staff and land that is suitable for affordable housing is put into a specific category. Affordable housing developers/groups would compete amongst each other for available land.
- 3) Land Trusts: Surplus land that is suitable for affordable housing is retained in perpetuity and leased to affordable housing groups or individuals. Land trusts are generally formed by non-profits, but there are also a handful of examples of municipally run land trusts.
- 4) Land Development Agency: Surplus land suitable for affordable housing is administered by an arm's length development organization that develops or facilitates the development of affordable housing. Such a group may also facilitate the market sale of a property where the funds are put towards other affordable housing projects.
- 5) Housing Corporation: Housing stock including land and buildings is owned and maintained by the Municipality. In this case surplus land that is appropriate for housing could be developed with municipal public housing, which removes pressure from other non-profits and adds to the overall affordable housing stock. A staff report to explore this model was previously requested by Regional Council.

HRM's process to dispose of surplus land for affordable housing, described earlier in this report would primarily fit into the first approach. While the Community Interest category includes land that is suitable for non-profits, which could include housing, there is no specific category for non-profit housing. Any move to consider a new approach for affordable housing, described above, would represent a new program and/or service and would require additional staff resources and budget to develop and administer the new approach.

While the existing AO50 process provides opportunities to acquire land, staff advise that non-profit housing organizations have different needs compared to other non-profit groups. For instance, lands generally need to be smaller in size, located in a central location (close to transit and amenities) and have appropriate zoning. Typically, property disposals through the Community Interest category vary in type; are often of lesser value or strategic importance and accordingly may be offered for sale "as as/is zoned". Consequently, applicants whose intended use does not comply with current zoning may incur additional holding costs while undergoing the re-zoning process.

The majority of non-profit housing groups are small providers with limited staff responsible for all tasks including supporting tenants, administration and building maintenance. Through on-going consultation with non-profit housing groups, groups have indicated that they are not familiar with existing surplus land opportunities or disposal process. This may also be a result of the majority of the municipality's surplus inventory falling within the extraordinary and remnant categories, and a lack of a proactive reviews of land holdings for potential affordable housing developments. While these concerns are not necessarily unique to non-profit housing groups, it is an important consideration when seeking to provide support to non-profit housing proposals. While all non-profits serve important needs to the community, housing is a necessity. The recently adopted federal *National Housing Strategy Act* recognizes housing as a basic human right.

Stable housing is often noted as primary need to alleviate poverty as demonstrated through programs such as Housing First. As such, exploring different approaches regarding surplus land for affordable housing is warranted.

Staff see merit in further exploring each of the 5 approaches to leveraging surplus municipal land for affordable housing to better understand the implications to staff resourcing and the impact each approach could have on supporting affordable housing developments.

Conclusion

The Homes for Heroes Foundation is proposing a development that would serve an important need for veterans who are returning to civilian life. Staff intends to continue working with the organization to assist them to navigate HRM's existing planning framework, as well as identify opportunities for them to acquire surplus municipal property through the existing AO50 process. To address inconsistent planning policies for clustered tiny home developments, staff recommend considering planning policies to enable clustered tiny home developments through the Centre Plan Package B, Plan and By-law Simplification, Regional Plan Review, and Land Lease Community By-law programs. Expanding upon the 2018 Affordable Housing Work Plan, staff also recommend that the review of surplus municipal land consider the organizational capacity and effectiveness in the HRM context of the 5 approaches to leveraging surplus municipal land in support of affordable housing.

FINANCIAL IMPLICATIONS

While there are no financial implications associated with the recommendation advanced in this report, it is important to note that municipal land that is sold for less than market value removes the potential revenue that results from the sale of municipal land.

RISK CONSIDERATION

There are no significant risks associated with the recommendations contained in this report. Any risks associated with enabling clustered housing will be discussed as part of the Centre Plan Package B, Plan and By-law Simplification, Regional Plan Review, and Land Lease Community By-law processes. Risks associated with the 5 approaches to leveraging surplus Municipal land for affordable housing will be discussed in the staff report which reviews costs and effectiveness of the approaches in the HRM context.

COMMUNITY ENGAGEMENT

As part of HRM's Affordable Housing Workplan, staff conducted interviews with 13 non-profit housing organizations between January 22 and March 1, 2019. Interviews focused on how existing municipal funding incentives for affordable housing could be improved or expanded upon and whether new funding approaches are needed to work towards the Housing and Homelessness Partnership's affordable housing targets. Four participants specifically spoke in regards to acquiring land. It was noted that it was difficult to find land within their price range in a central location, with access to transit and services and appropriately zoned. It was further noted that it is difficult to locate HRM-owned surplus lots and there were concerns in regardsto competing for land with non-profit organizations with completely different mandates (e.g., recreation, culture, environmental).

ENVIRONMENTAL IMPLICATIONS

None.

ALTERNATIVES

Regional Council may choose to:

Clustered Housing Planning Policies

1. Initiate a process to consider amendments to the Regional Plan and all applicable secondary municipal planning strategies and land use by-laws to enable clustered tiny home developments by development agreement or rezoning processes. Should Council choose this alternative, staff advise that Council would be required to approve a public participation program. As such a planning project would be regional in nature, staff advise that this public participation program should consist of the following:
 - general public consultation through the HRM webpage;
 - consultation with planning advisory committees;
 - consultations with the non-profit housing section; and
 - consultations with the development industry.
2. Decline to provide specific direction concerning clustered tiny home developments at this time. If this option is selected, Homes for Heroes and other groups would continue to be free to raise their interest in this form of development through the Centre Plan Package B, Regional Plan Review and Plan and By-law simplification processes.

Surplus Municipal Land for Affordable Housing

3. Direct the CAO to amend Administrative Order 50, Respecting the Disposal of Surplus Real Property (AO-50), to establish a specific category for affordable housing.
4. Direct the CAO to focus on one or more of the 5 approaches to leveraging surplus municipal land for affordable housing, as described in the Discussion section of this report. If this alternative is chosen, specific direction on the approach to focus staff's work would be needed.
5. Direct the CAO to take no further action concerning the surplus municipal land component of the 2018 Affordable Housing Work Plan.

ATTACHMENTS

None.

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210.

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