



CITY OF HAMILTON
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
Economic Development Division

TO:	Chair and Members Affordable Housing Site Selection Sub-Committee
COMMITTEE DATE:	November 28, 2017
SUBJECT/REPORT NO:	Properties and Process for Disposition of Lands for Affordable Housing (PED17219) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Greg Witt (905) 546-2424 Ext. 4818 Kirstin Maxwell (905) 546-2424 Ext. 3846 Leanna Petrusma (905) 546-2424 Ext. 7022 Raymond Kessler (905) 546-2424 Ext. 7019
SUBMITTED BY:	Glen Norton Director, Economic Development Planning and Economic Development Department
SIGNATURE:	

Discussion of matters contained in Confidential Appendices "A", "B", "C", and "D" to this Report PED17219 in closed session is subject to the following requirement(s) of the City of Hamilton's Procedural By-Law and the *Ontario Municipal Act, 2001*:

- A proposed or pending acquisition or disposition of land by the City.

RECOMMENDATION

- (a) That the properties identified in Appendix "A" to Report PED17219, be declared surplus to the requirements of the City of Hamilton in accordance with the "Procedural By-law for the Sale of Land", being By-law No. 14-204, and be approved for disposition for purposes of affordable housing;
- (b) That the disposition strategies outlined in Appendix "B" to Report PED17219, be approved as the basis for disposition of the properties identified in Appendix "A" to Report PED17219, and any such other properties as may be identified and selected by Council from time to time for the purposes of affordable housing;
- (c) That Council authorize and direct staff to establish a capital reserve from which all net proceeds from the sale of properties identified for affordable housing are to be deposited, for use exclusively for new affordable housing development

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purposes, and all costs related to due diligence, and implementing the strategies outlined in Appendix “B” to Report PED17219 may be resourced;

- (d) That staff be directed to complete due diligence and surplus circulation of each property identified in Appendix “A” to Report PED17219, including but not limited to feasibility, environmental, and planning studies, determining individual site disposition strategies, in accordance with the strategies outlined in Appendix “B” to Report PED17219, and with the exception of Properties A, G, I, P and R, report back to the Affordable Housing Site Selection Sub-Committee with a recommended approach for each property;
- (e) That staff be directed to report back to the Affordable Housing Site Selection Sub-Committee on an implementation plan that establishes a framework for prioritizing, staging and funding of affordable housing initiatives outlined in Report PED17219, and the appropriate allocation of funds in the newly created capital reserve for affordable housing;
- (f) That staff be authorized and directed to undertake suitable consultation with private, not-for-profit, and public sector organizations to determine appropriate consideration of properties, including but not limited to independent meetings and/or undertaking Expression of Interest or Request For Information (RFI) type processes;
- (g) That the Real Estate Section of the Planning and Economic Development Department be authorized and directed to sell the lands identified as Properties A, G, I, P and R in Appendix “C” to Report PED17219 in accordance with the “Procedural By-law for the Sale of Land”, being By-law No. 14-204, on terms and conditions satisfactory to the General Manager of Planning and Economic Development, and in a form satisfactory to the City Solicitor;
- (h) That the City Solicitor be authorized to complete any transactions on behalf of the City, including paying any necessary expenses, amending the closing, due diligence and other dates, and amending and waiving terms and conditions on such terms as she considers reasonable;
- (i) That the Mayor and City Clerk be authorized to execute any necessary documents in a form satisfactory to the City Solicitor;
- (j) That all contents within confidential Appendices “A”, “B”, “C”, and “D”, to Report PED17219, remain confidential, with the exception of only releasing the list of addresses of City-owned properties in Appendix “C”, as may be amended, following approval of Council.

EXECUTIVE SUMMARY

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

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This Report identifies potential properties and proposes processes for the disposition of lands in support of affordable housing, as a follow-up to the direction of the Affordable

Housing Site Selection Sub-Committee. The report seeks Council's approval to declare certain properties surplus to the requirements of the City, and directs Real Estate staff to dispose of several parcels. Additionally, the report recommends various approaches to disposing of lands, and the establishment of a capital reserve from which to manage an affordable housing property program.

Alternatives for Consideration – N/A

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial: The creation of a new Reserve, to which the proceeds from the sale of properties identified in Appendix "C" to Report PED17219 will be deposited, may be used to finance affordable housing projects and purposes. It may also be used for capital expenditures associated with acquisition and/or development, including due diligence, feasibility analysis, and pre-development work, as well as the construction costs of affordable housing projects and funding Development Charges exemptions for affordable housing. The Reserve would be administered by the Financial Planning, Administration, and Policy Division within the Corporate Services Department in consultation with the Housing Services Division of the Community and Emergency Services Department.

The proceeds from the sale of City properties listed in Appendix "C" to Report PED17219 that are to be used for affordable housing projects will reduce the property proceeds revenue that otherwise would be available for use for other City-wide programs per Report "Sale of Lands Proceeds Handling (CM17006)" approved at Council July 14, 2017.

Staffing: N/A

Legal: Legal Services Division will be required to assist in the preparation of any necessary legal documents.

HISTORICAL BACKGROUND

As approved at the June 28, 2017 Council meeting, as part of GIC Report 17-014, staff was directed by the Affordable Housing Site Selection Sub-Committee to undertake the following:

- (a) Report back to the Affordable Housing Site Selection Sub-Committee with criteria to be applied against identified sites to determine suitability for potential new affordable housing, including definitions of services required; and,

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- (b) Circulate a list of all City-owned property, by Ward, to each Councillor, for the identification of sites to be considered for affordable housing initiatives, including lands that may be sold with proceeds used to fund affordable housing.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

In accordance with By-law 14-202, property no longer required for municipal programs is declared surplus by Council and disposed of, in accordance with the City's Portfolio Management Strategy.

The City's 10-Year Housing and Homelessness Action Plan, adopted by Council December 2013, sets a target of 300 new affordable rental units annually. This target has not been met since it was adopted.

Three strategies of the plan pertain to the use of government land and the establishment of a fund for affordable housing purposes:

Strategy 1.7: *Inventory and map affordable housing development opportunities including ... vacant government land that is viable for affordable housing.*

Strategy 1.8: *Advocate for changes to the City's and senior governments' surplus land policy to make surplus land available for affordable housing development at discounted or no cost.*

Strategy 1.12: *Explore the feasibility of establishing a Housing Trust Fund to help finance affordable housing development.*

RELEVANT CONSULTATION

Real Estate staff circulated all City-owned and of interest properties in each Ward to the respective Ward Councillor and obtained input from each Councillor through individual meetings. Consultation respecting research and this report was also carried out with the following:

- Legal Services Division, City Manager's Office;
- Planning Division, Planning and Economic Development Department;
- Financial Planning and Policy Division, Corporate Services Department; and,
- Housing Services Division, Community and Emergency Services Department.

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ANALYSIS AND RATIONALE FOR RECOMMENDATION

Site Selection

As directed by the Affordable Housing Site Selection Sub-Committee, Real Estate staff circulated City-owned properties, and other properties of interest to the City, in each Ward to each respective Ward Councillor. Consultation with each Ward Councillor identified those properties that were deemed to be suitable for consideration, and Real Estate and Housing staff determined whether those sites were most suitable for sale, or as appropriate for potential affordable housing development projects. Key criteria for those properties deemed appropriate for potential affordable housing projects include:

- proximity to transit;
- proximity to commercial and social services;
- proximity to existing social housing;
- land value; and,
- various planning considerations.

For a more fulsome discussion about these criteria please refer to Appendix “D”.

Properties already being considered for potential affordable housing projects, such as by CityHousing Hamilton, were also included in this process. Appendix “A” provides an overview of each property that has been identified in this process.

Disposition Strategies

Staff has examined various approaches that may be applicable for the disposition of properties to support affordable housing. These approaches are outlined in Appendix “B”, and can be summarized as follows:

- Market Sale - properties not suitable for an affordable housing project, but that could be used to fund projects;
- Covenant Sale – properties suitable for affordable housing, that would best be suited to private sector provision of a portion of units as affordable housing (secured through long-term commitment/covenant) and sold at appropriate market discount to secure the affordable units;
- Nominal Sale – sale of property at nominal value, including to CityHousing Hamilton, to ensure security of affordable housing in high priority locations. This strategy may include the provision of a capital contribution; and,

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- Direct Partnership – the City works in partnership with existing social and/or affordable housing providers, including CityHousing Hamilton, to ensure the development of affordable housing, property and funding being two elements of the City’s contribution.

Implementation

Staff has taken an initial review of each site with a view to determining the nature of disposition strategies that may be applicable to each of the sites listed in Appendix “A”. Appendix “C” provides an outline for the categorization of each site for consideration and direction.

For all properties, the next step will be to conduct further due diligence and consultation. Included in this will be a circulation of each property identified in Appendix “A”, analysis of site characteristics, opportunities and constraints, feasibility, planning and/or environmental studies, and, internal and/or external consultation as appropriate. Individual site disposition strategies will be determined, within the framework of the strategies outlined in Appendix “B” and in the context of existing work being carried out by CityHousing Hamilton, the Land Development Task Force, and other Real Estate initiatives sanctioned by Council, and staff will report back to the Affordable Housing Site Selection Sub-Committee with a recommended approach for each property.

Additionally, staff is proposing to develop and report back to the Sub-Committee an implementation strategy that provides a financial perspective and framework for decision-making on the priority and timing of all sites, particularly in relation to the new Reserve and correlating with the other affordable housing initiatives in the City.

Specific to Properties A, G, I, P and R in Appendix “C”, staff is recommending an immediate surplus and disposition. Additional due diligence will be carried out for these sites, but there will be no further reporting to the Sub-Committee – transactions will be approved through report to GIC.

ALTERNATIVES FOR CONSIDERATION

N/A

ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN

Healthy and Safe Communities

Hamilton is a safe and supportive city where people are active, healthy, and have a high quality of life.

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Built Environment and Infrastructure

Hamilton is supported by state of the art infrastructure, transportation options, buildings and public spaces that create a dynamic City.

Our People and Performance

Hamiltonians have a high level of trust and confidence in their City government.

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" – Potential Affordable Housing Sites Overview

Appendix "B" – Affordable Housing Property Disposition Strategy Options

Appendix "C" – Categorization of Properties

Appendix "D" – Affordable Housing Site Selection Considerations

GW,KM,LP,RK/sd