



# INFORMATION REPORT

<b>TO:</b>	Chair and Members General Issues Committee
<b>COMMITTEE DATE:</b>	May 16, 2018
<b>SUBJECT/REPORT NO:</b>	Opportunities for the Development of Affordable Housing in the West Harbour Area (HSC18021) (Wards 1 & 2)
<b>WARD(S) AFFECTED:</b>	Wards 1 & 2
<b>PREPARED BY:</b>	Greg Witt 905-546-2424 ext. 4818 Kirstin Maxwell 905-546-2424 ext. 3846
<b>SUBMITTED BY:</b>	Vicki Woodcox Acting Director, Housing Services Division Healthy and Safe Communities Department
<b>SIGNATURE:</b>	

## Council Direction:

At its meeting of March 30, 2015, the Emergency and Community Services Committee directed the following:

The City Manager's Office in cooperation with the City's Housing Services Division, report to E&CS with options and alternatives to address our housing deficit with opportunities that exist in the West Harbour/Setting Sail area.

On January 23, 2017, the Emergency and Community Services committee referred the following item from the Outstanding Business List to the General Issues Committee:

- (1) Item "E" - Potential Housing Options and Alternatives for Housing in the West Harbour/Setting Sail Area

## Information:

The West Harbour presents a key area in the City for the future development of affordable housing. The Setting Sail Secondary Plan identifies affordable housing as a priority in the West Harbour and directs that new and existing resources be dedicated towards it.

---

*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.*

Section A.6.3.8.3.1 of the Plan states:

“The City of Hamilton will partner with the senior levels of government, the private sector and community-based housing providers to promote the development of the City-owned land in the West Harbour for affordable rental & homeownership opportunities through various programmatic initiatives.”

Section A.6.3.3.1.10 and 11 of the Plan identify the development of existing City-owned land for affordable housing as a priority; it states:

“In the event of disposal of publicly owned lands located within West Harbour, Council will consider the desirability of developing such lands for affordable housing, and where appropriate, shall encourage the development of said lands for such housing as a priority.” And, “in developing city owned lands for residential purposes; Council may require that at least 25 % of the gross area of such lands be provided in the form of affordable housing.”

In addition, Hamilton’s 10-year Housing and Homelessness Action Plan identifies outcomes, strategies and targets to ensure everyone has a home. Outcome areas include increasing the supply of new affordable rental housing, improving the quality of existing housing and increasing people’s housing affordability and choice.

This report will outline ongoing and potential future initiatives contributing to the increase of affordable housing in the West Harbour area. It will quantify how these initiatives will contribute to meeting City wide targets of making housing more affordable, guided by Hamilton’s 10-Year Housing and Homelessness Action Plan. The Planning and Economic Development Department and CityHousing Hamilton reviewed and provided content for this report.

### **CityHousing Hamilton Projects (3)**

#### **1. Jamesville**

CityHousing Hamilton (CHH) is planning the redevelopment of Jamesville, a property located in the heart of the West Harbour. CHH is seeking to maximize the social and financial benefit of the Jamesville redevelopment through innovations in land use planning, building design, financial structure and community benefit. The goal is to have the optimum number of affordable units with ranges of affordability levels, mixes and ranges of housing types, forms, tenures, and densities while providing enhanced liveability and sustainability. In July 2017, CHH completed a Request for Expressions of Interest (RFEOI) to help inform development direction on the Jamesville site and CHH is currently developing a comprehensive procurement process to select a partner for the Jamesville redevelopment.

---

*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.*

While the site currently consists of 91 rent geared-to-income (RGI) townhouse units, the future number of social and affordable housing units will be determined through the partnership selection and negotiation with the selected partner at the conclusion of a competitive procurement process. Factors affecting the quantity of social and affordable housing that can be incorporated into the site include the number of total units allowed through planning, the types of units, the value of the land, the amount of capital CHH can acquire and allocate to the redevelopment, and the overall quality of the development.

**2. 500 MacNab St. N.**

CHH is making major investments to rehabilitate 500 MacNab. The property is a 17-storey apartment tower constructed over 50 years ago. The building requires extensive renovations; however, through this reinvestment CHH will convert the building into state-of-the-art housing that implements innovations in ultra-low energy retrofit. The comprehensive rehabilitation will revive an otherwise mostly uninhabitable asset.

In 2017, a feasibility study and a business case were completed. They informed the drawing of detailed schematic designs. These studies and tools have been used as the basis for funding applications to the Federation of Canadian Municipalities' Green Municipal Fund and Canada Mortgage and Housing Corporation's Affordable Rental Innovation Fund, for which outcomes are still pending.

**3. Bay-Cannon**

In close proximity to the West Harbour, the southeast corner of Bay and Cannon Streets is a City-owned parking lot that CHH has targeted for development. A feasibility study for this site is in the final stages of completion. This study will lay out the possible alternatives for social and affordable housing. One option that connects directly with the redevelopment of Jamesville and the West Harbour is utilizing this property as a transition space for residents wishing to return to Jamesville following redevelopment. It is too early to estimate the number of potential affordable units at this time. February 28, Council approved the sale of this property to CHH for the nominal cost of \$2 for the purposes of new affordable housing development (Affordable Housing Site Selection Subcommittee Report 18-001, Item 8.5).

**500 James St. North**

Indwell has partnered with the Hughson Baptist Church to develop 42 units of affordable housing at 500 James St. North. Located at the corner of Picton Street, the former commercial plaza property is a short distance to Bennetto Community Centre, North Hamilton Community Health Centre, elementary schools and parks. The development plan consists of a 4-storey building of one bedroom apartments complemented by multi-use spaces such as an auditorium/gym, meeting space and office space.

---

*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.*

**SUBJECT: Opportunities for the Development of Affordable Housing in the West Harbour Area (HSC18021) (Wards 1 & 2) - Page 4 of 6**

---

Rent will be benchmarked at roughly 35% below average market rent. The units will be for singles with low income and be referred through local community partners. Funding for the project is mainly sourced from the Federal/Provincial Social Infrastructure Fund (SIF) with additional contributions from the City, individual donations and leveraging existing equity in the property.

Council recommended the project to the Minister of Housing for funding in Report CES16037. The project has proceeded through a zoning amendment, Ontario Municipal Board appeal, and draft site plan approval. Demolition and excavation has begun for the project which has a fifteen month construction schedule.

**Site Selection Sub-Committee Properties**

As approved by Council on June 28, 2017, in GIC Report 17-014, the Affordable Housing Site Selection Sub-Committee directed staff to develop and circulate a list of all City-owned property 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.

On December 8, 2017, Council endorsed a series of properties to be declared surplus for disposition and be approved for disposition for purposes of affordable housing. In addition, they endorsed a set of disposition strategies as the basis for disposition of the properties. One disposition strategy is the sale of properties of higher value but deemed to be inappropriate for affordable housing development. To that end, the Sub-Committee also recommended 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 (once all previous commitments have been met) are to be deposited, for use exclusively for new affordable housing development purposes.

It is likely that the sale of the subject lands would occur over a number of years. Proceeds generated from the initial sales could support financial incentives or direct investment in new affordable rental housing. Based on Hamilton's experience in delivering the Investment in Affordable Housing program, each new unit of affordable housing requires approximately \$180K-\$230K of capital incentive in order to achieve affordable rent levels at 80% of the average market rent for Hamilton. The funds directed to creating new affordable rental housing would be awarded through a competitive RFP process.

Hundreds of sites were reviewed; of those, 19 were identified to be considered for affordable housing initiatives, 4 of which were identified in the West Harbour area, or in close proximity to the West Harbour.

---

*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.*

## Pier 8 Development

The City is in the process of evaluating development proposals for a new urban waterfront community at Pier 8. The community will include approximately 1,500 residential units. Not less than 5% of these units must meet the “affordable home ownership” standard outlined in section 1 of the City’s Municipal Housing Facilities By-law No. 16-233 being “a sale price that is at least 10% below the median resale price” applied to the sale of condominium units within the City of Hamilton, as reported monthly by the Realtors Association of Hamilton-Burlington. Rental units may also qualify towards the minimum percentage allocation (5%) requirement, provided the units meet the definition of “affordable housing” as specified in the City’s Municipal Housing Facilities By-law.

## Summary of Development Opportunities

The following table estimates the number of affordable housing units that could be created through new development in the West Harbour area. Table 1 provides a range of the number (low and high estimates) of potential affordable housing units that could be created by the initiatives outlined in this report.

**Table 1**

Development Opportunity (Developer/Lead Organization)	Potential # of New Affordable Housing Units	
	Low	High
Jamesville Redevelopment (CityHousing Hamilton)	-51	59
500 McNabb (CityHousing Hamilton)	0	0
500 James St. North (Hughson Baptist Church & Indwell)	42	42
Properties Identified through the Affordable Housing Site Selection Sub-Committee (cumulative) (TBD)	29	38
Pier 8*	60	60+ (affordable ownership units)
<b>TOTAL</b>	<b>80</b>	<b>199+ (combined units)</b>

\*Pier 8 units are expected to be ownership units

Hamilton’s 10-year Housing and Homelessness Action Plan identifies that the City requires 300 new affordable rental housing units to be developed annually to meet the needs of the community. Should the number of potential units in the West Harbour be maximized, this would result in the development of at least 139 new rental units. While it

---

*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.*

**SUBJECT: Opportunities for the Development of Affordable Housing in the West Harbour Area (HSC18021) (Wards 1 & 2) - Page 6 of 6**

---

will not fully address the need, these investments would directly contribute to achieving the Action Plan target of 3,000 new city-wide affordable housing units by 2023.

**Next Steps**

The Housing Services Division is in the process of documenting all ongoing affordable housing projects and development opportunities, including funding sources, on a City wide scale. This work will feed into the development of a more comprehensive inventory of affordable housing units and projects in the city.

---

*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.*