



PORT COLBORNE

Subject: Haney Street Affordable Housing Project

To: Council

From: Office of the Chief Administrative Officer

Report Number: 2022-168

Meeting Date: September 13, 2022

Recommendation:

That Chief Administrative Office - Economic Development and Tourism Report 2022-168 be received; and

That Council direct staff to draft a Memorandum of Understanding (MOU) with Niagara Regional Housing for a partnership on an affordable housing project for Council approval at a future Council meeting.

Purpose:

The purpose of this report is to discuss a potential partnership with Niagara Regional Housing (NRH) to create affordable housing units on a surplus City property.

Background:

Through the ongoing City Real Estate initiative, which focuses on maximizing the value of surplus City properties, staff identified a vacant parcel owned by the City that is adjacent to a townhouse development owned and managed by NRH. The City-owned property, legally described as the Haney Street Road Allowance, is outlined in Appendix A. NRH's property is located at 709 King Street and is also shown on Appendix A. The City's property has a frontage of approximately 58 feet and a depth of 198 feet. It is currently zoned as Fourth Density Residential Zone "R4."

On August 23, 2022, Council approved recommendations in report 2022-186 requesting that Council declare this subject parcel surplus and approve a Stop Up and Close By-law for the Haney Street Road Allowance.

Discussion:

City staff reached out to NRH to have an exploratory discussion about the parcel to ascertain their interest in this property if it were declared surplus. NRH officials expressed a keen interest in the property and partnering with the City to create more affordable housing units in Port Colborne. They also understand that Council would like a commitment from those acquiring surplus City properties to commence design work and building construction within a reasonable time frame, to avoid land banking or speculation.

If NRH were able to acquire this property, they would consider several development possibilities, including:

- 1) construct a low-rise apartment building with affordable housing units that would fit within the permitted zoning and developable area; or
- 2) merge the two properties together and construct a low-rise apartment building.

If Council were supportive of partnering with NRH through an MOU, NRH has indicated through discussions with City staff that they plan to make this project a priority although, given the timing, it will not be included in the Region's 2023 capital projects list. NRH are currently developing a work plan and potential timelines for the build out of the subject lands. NRH senior staff also confirmed that they would engage a consultant immediately to prepare a feasibility study and design that will help support funding applications that could be submitted in 2023. Securing funding from senior levels of government and other agencies will help to prioritize this project at Niagara Region.

Given the shortage of affordable housing units in Port Colborne and Niagara, and recent federal funding announcements in support of housing affordability, NRH are optimistic that they could secure seed capital from Canada Mortgage and Housing Corporation (CMHC) to assist with feasibility studies and pre-development costs. Having a commitment from the City, outlined in a formal MOU, that the City would transfer ownership of the property to NRH would be beneficial for their funding applications. This has worked well for NRH in other municipalities where they have initiated affordable housing projects.

This partnership could be set up similar to the MOU between the City and Port Cares and the affordable housing project planned for Chestnut Park. A project and partnership of this nature would be timely given the critical need for more affordable housing in Port Colborne. Also, a consultant is currently working with a City Project Team and key community stakeholders to finalize an Affordable Housing Strategy and Action Plan with recommendations being presented at the September 13th Council meeting.

Internal Consultations:

Planning staff are highly supportive of the provision of affordable housing and development opportunities. The R4 zoning designation would support a low-rise apartment building. The final number of units would be determined by Niagara Regional Housing based on funding availability, site layout, and discussions with City Planning staff.

Currently, the road allowance is used to access the neighbouring property owned by NRH. Planning and Public Works staff have indicated the entrance and configuration could remain the way it is, provided the land is conveyed to NRH. If the land is sold to another party, this entrance would need to be reconfigured through a site plan amendment and/or easement in perpetuity.

Financial Implications:

The City would be forfeiting the value of the property that could be obtained if the property was otherwise sold.

A recommended component of any transfer would be a condition limiting NRH's ability to sell the property without first offering to return the property back to the City in its original condition.

Public Engagement:

None at this time.

Strategic Plan Alignment:

The initiative contained within this report supports the following pillars of the strategic plan:

- Attracting Business Investment and Tourists to Port Colborne
 - Governance: Communication, Engagement, and Decision-making
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Conclusion:

The Haney Street Road Allowance, declared surplus at the August 23rd Council meeting, is an ideal infill development opportunity to support a partnership with Niagara Regional Housing (NRH) who have experience in building and managing affordable housing units. This would benefit the community and align with Council's strategic priorities.

City staff have confirmed with NRH that they are interested in this parcel and the opportunity to work with the City. Depending on the configuration of the development and available funding, NRH could construct a low-rise apartment building based on the R4 zoning designation.

Appendices:

- a. Map of Haney Street Road Allowance

Respectfully submitted,

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Report Approval:

All reports reviewed and approved by the Department Director and also the City Treasurer when relevant. Final review and approval by the Chief Administrative Officer.