Staff Report

Presented By: Jay Pausner, Manager, Planning and Development

Meeting Date: December 18, 2023

Subject: Principles for Affordable Housing on Town-owned Lands and Update on Surplus Lands for Housing

Attachment(s): None

Recommendation

That Council direct staff to prepare an "Affordable Housing on Town-owned Lands" Policy that includes the principles outlined in this report, and

That Council authorize staff to prepare the necessary documents on the identified Concession 10 property for further consideration (Part of Part 1, 3R-7600, Part of Lot 50, Lake Range), and

That the update on the Bluewater Lands, Sandy Acres Road and South Rankin Street are received for information.

Report Summary

Development of a Town policy setting out a consistent approach to how Town-owned lands may be used to support affordable housing is recommended. A Town policy will support consistency in evaluating proposed projects, so they are aligned with the strategic priorities of the Town. The development of a Policy will enable several potential properties to advance to Council for consideration of next steps.

Background/Analysis

Development of a Town policy setting out a consistent approach to how Town-owned lands may be used to support affordable housing is recommended. Principles for Affordable Housing on Town-owned Lands are provided for Council consideration to be incorporated into a Town policy to ensure consistency and that proposed projects are aligned with the strategic priorities of the Town.

Following adoption of such a policy, the Bluewater Lands are recommended to be developed as a combination of affordable housing and neighbourhood park through a Request for Proposal process with the principles developed through the Policy incorporated into the RFP.

In September 2023, Council directed that two properties (one on Sandy Acres Road and one on South Rankin Street) be declared surplus and that the Town proceed with public tender. The

appraisals have been completed for these lands and they will now be posted for public tender to maximize the return. The funds from these sales will be put into the Attainable Housing Reserve Fund.

Lastly, lands at Concession 10 have been identified as potential property to consider in the broader priority of accommodating affordable housing on Town-owned lands.

Consistent Approach

There is interest to divest Town-owned land for affordable housing. However, it is important to have a principled approach to making decisions on this subject to optimize the return on Town-owned land and ensure the Town's long-range planning and strategic objectives are met.

With land that may be used for affordable housing, a series of considered principles need to be articulated which ensure long-term availability of affordable housing while achieving the Town's strategic objectives.

Principles

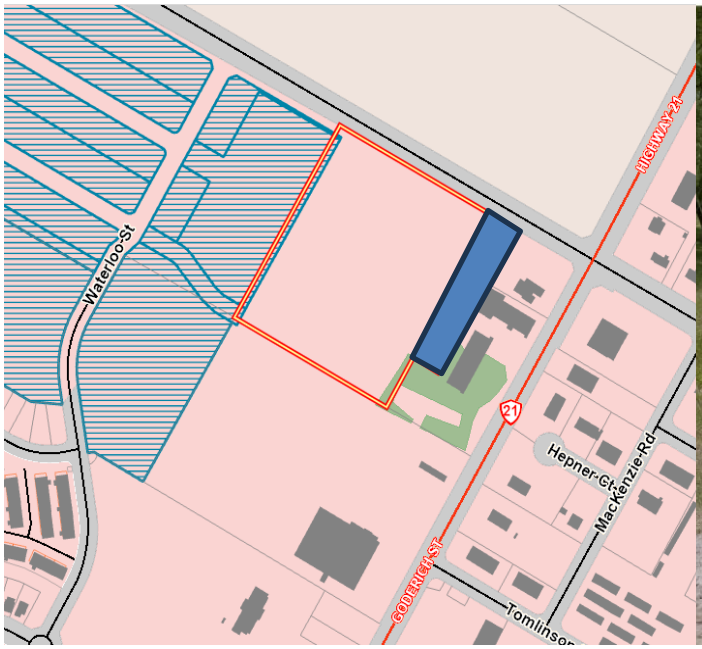
1. Optimization of affordable housing. The number of affordable housing units shall be optimized to ensure the land is used efficiently and the capacity of existing municipal services to support housing shall be closely examined. The need to expand municipal services will be a consideration.
2. Facilitation of accommodations for Low and Moderate Income Households. Affordable housing is defined as housing for low- and moderate-income households where no more than 30% of gross annual income is spent on housing costs.
3. Long term societal impact. Proposals must include a plan for how affordable housing shall be built and operated over the long-term.
4. Minimization of Town cost. Techniques, methods, the inclusion of other private and public bodies, and other general or innovative approaches to housing development shall be explored to ensure Town costs are minimized as much as possible.
5. Land Use Planning and Urban Design. Saugeen Shores land use planning is innately tied to facilitating appropriate growth while maintaining its small-town charm. All affordable housing developments shall provide good design which addresses the Town's land use planning objectives as expressed in the Official Plan and Design Guidelines (such as the proposed Residential Greenfield Guidelines outlined in the 2024 Business Plan).
6. Consultative Process. Proposals shall be supported by a consultative process including but not limited to engaging the neighbouring community, project target community, as well as indigenous peoples. This process shall be conducted at the right stages of the development of affordable housing on Town-owned land.
7. Competency. Affordable housing builders and providers shall demonstrate competency and past track record to design, build and operate affordable housing.

It is recommended that these principles be developed into a policy for Affordable Housing on Town-owned Lands for Council consideration. By applying a consistent, principled approach to evaluate identified Town-owned lands the Town is in the best position to support appropriate affordable housing projects throughout the entire life of an affordable housing operation, from initial concept to design, construction, and operation, including end of life.

Additional Lands to be added to Surplus Lands / Affordable Housing Workplan

The lands identified below may also be suitable to conduct due diligence with further opportunity to support affordable housing through the proposed principled approach:

Lands on Concession 10 between Highway 21 and the driveway to Independent Grocer





Council is being asked to give direction to advance this property into its Surplus Land for Affordable housing portfolio. If approved, due diligence will be initiated on these lands, including preparation of any survey and supporting documentation needed to prepare the lands for further consideration by Council.

<u>Bluewater Lands</u>

The identification of the Bluewater Lands is the prime reason the above-noted Principles for Affordable Housing on Town-owned Lands have been considered: a principled, consistent approach to consider affordable housing on Town-owned lands. The Bluewater Lands represent a larger (2.8 hectares) developable property owned by the Town that also represents a larger opportunity for alignment with the Town's strategic and land use planning goals.

The Bluewater Lands are also a good candidate as a neighbourhood park, it is recommended that a Request for Proposal (RFP) be prepared which incorporates the principles outlined in this report, with the addition of the following principles for park development:

Additional Principles

- Optimizes balance of parkland and housing
- Competent designer and builder of public parks





Approach to RFP

A staged process will be developed where the Town can find competent builders of affordable housing, engage the community, and support good design, all while ensuring housing remains affordable over the long term and a municipal neighbourhood park is designed and constructed.

- Stage 1 – Design Competition
- Stage 2 – Detailed Design Submission
- Stage 3 – Agreement Execution
- Stage 4 – Final Development Plan & Operation

For the first two stages, a design competition is to be held. Stage 1 will generate a list of interested parties who are evaluated on the following submission requirements:

- preliminary approach to providing affordable housing: its scale, number of units, built form, key operational attributes, any other information which would help understand the project;
- preliminary identification of size of land needed for park and key design elements balanced with lands needed for housing;
- preliminary workplan with timelines to final construction;
- preliminary and ongoing costs attributable to the Town, if any;
- experience/competency of the proponent/consortium in delivering affordable housing and parks;
- proposed approach to consultation;
- identification of legislated land use planning requirements; and
- identification of any off-site improvements needed to facilitate good development.

Following Stage 1 submission, the Town may select one or more proponents, creating a short-list to move to the second stage. Stage 2 will expand on the Stage 1 submission and require the following:

- consultation with Town staff and County of Bruce Planning Department on land use planning requirements;
- Design Brief to demonstrate design fit within community; and
- identification of other supporting studies/documents as determined based on Stage 1 submission, including engineering requirements.

Following Stage 2, the Town will select a preferred proponent/consortium and will commence Stage 3. Stage 3 will be to negotiate and enter into a long-term agreement with the successful proponent. The agreement will, among many matters, outline the final details for Stage 4. If there are planning processes which require consideration under the Planning Act or Municipal Act, they will be carried out in accordance with the requirements of the Act.

Stage 4 will require the final details outlined in the Agreement. It will include:

- architectural design;
- final engineering requirements, including site servicing, lot grading/drainage, lighting, etc.;
- landscaping;
- final park amenities design;
- final design of off-site improvements, as identified and recommended in supporting documents during Stage 2; and
- any matter outlined in the Stage 3 agreement.

Following Stage 4 the affordable housing will be constructed and operated in accordance with the Agreement.

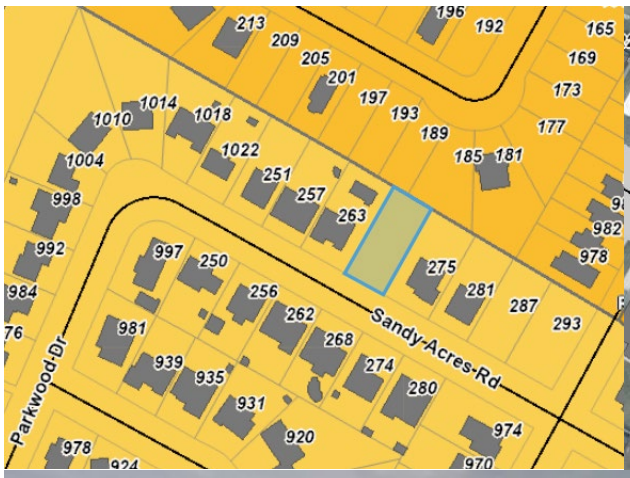
At each stage of the process, the Town will have opportunity to off-ramp and cease the project.

When Council adopts an Affordable Housing on Town-owned Lands Policy, the noted RFP framework will be commenced.

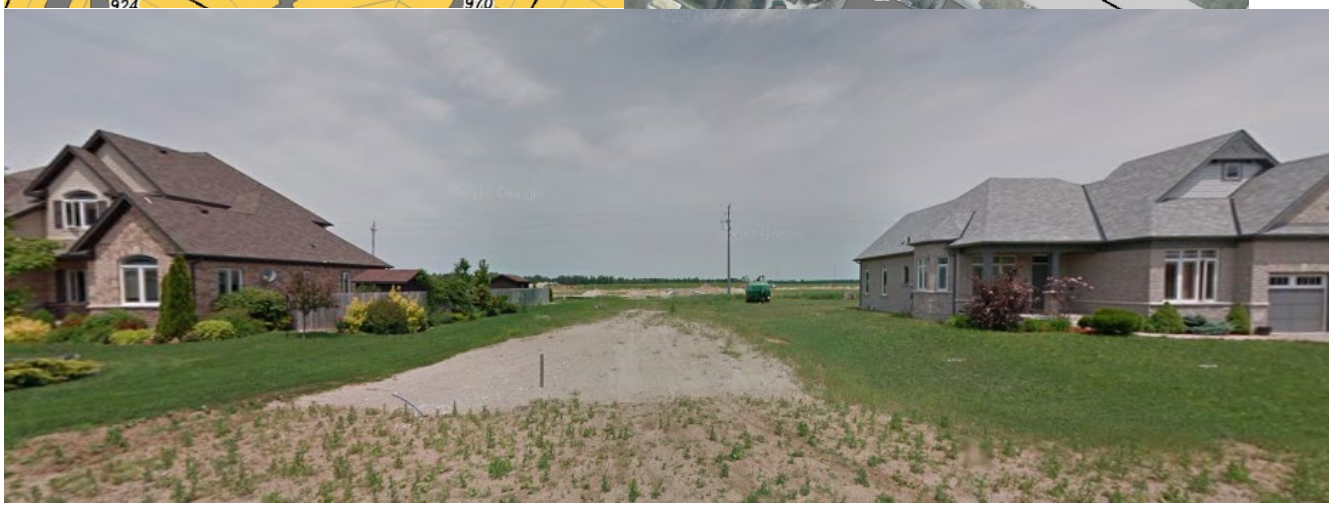
Update on Land Sales

Sandy Acres Road

Following the declaration of these lands as surplus on September 18, 2023, the Town has completed its appraisal of the lands and will post the property for public tender to maximize the return. Posting of the public tender is anticipated by the end of the year. Funds from the sale of lands will go to the Attainable Housing Reserve Fund.

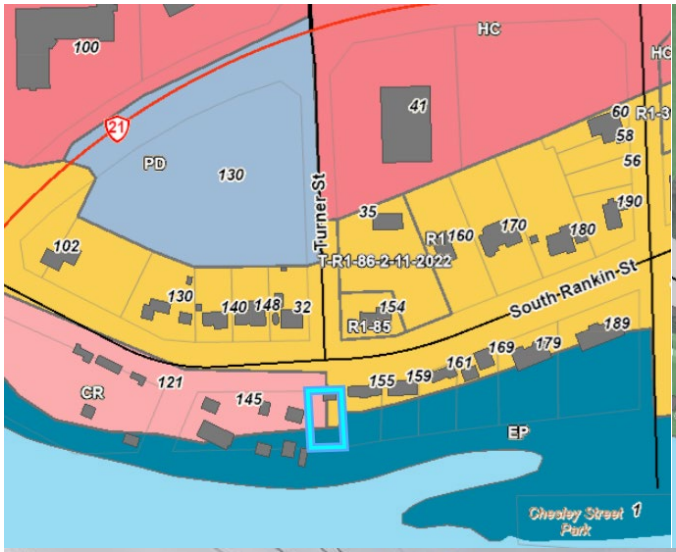




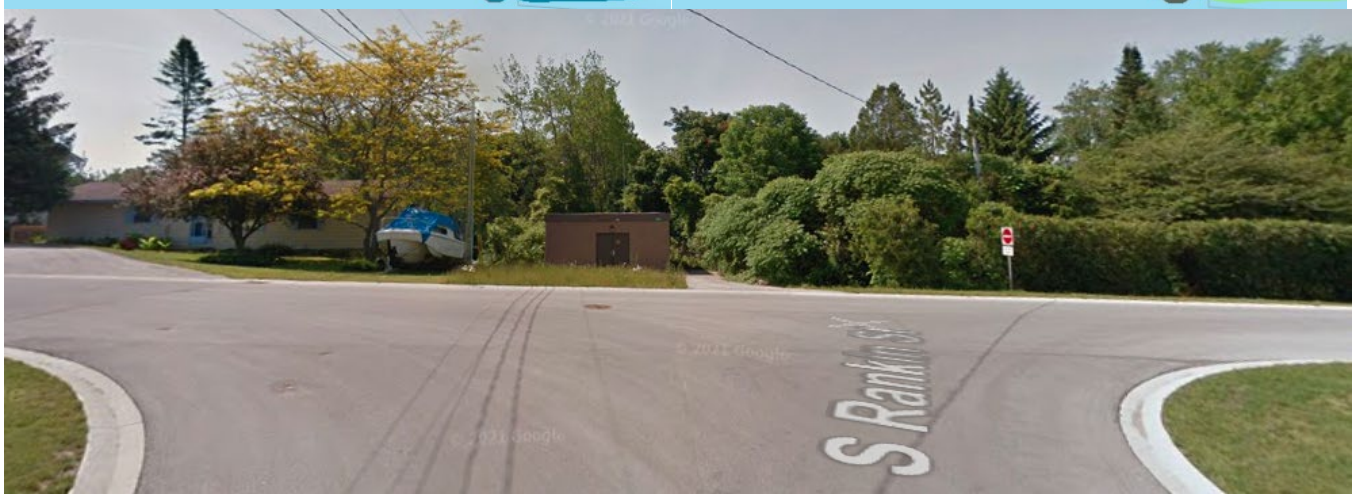


South Rankin Street

Following the declaration of these lands as surplus on September 18, 2023, the Town has completed its appraisal of the lands and will post the property for public tender to maximize the return. Posting of the public tender is anticipated by the end of the year. Funds from the sale of lands will go to the Attainable Housing Reserve Fund.







Linkages

- Strategic Pillar 1: Meeting the Needs of a Growing Community

Financial Impacts/Source of Funding

The legal and appraisal costs (approximately $7,500 per property) associated with the due diligence process for the Concession 10 lands are to be funded from the Sales of Surplus Lands Reserve.

Prepared By: Jay Pausner, Manager, Planning and Development

Reviewed By: Mark Paoli, Director, Development Services

Approved By: Kara Van Myall, Chief Administrative Officer