

Subject: Housing-as-a-Priority Lens

Report to: Planning and Economic Development Committee

Report date: Wednesday, November 8, 2023

Recommendations

1. That the Housing-as-a-Priority lens outlined in this report **BE ENDORSED** to maximize opportunities to expand affordable and attainable housing in Niagara; and
2. That staff **BE DIRECTED** to apply a Housing-as-a-Priority lens to corporate practices and decisions in support of Council Strategic Objective 3.3, to improve access to affordable and attainable housing in Niagara.

Key Facts

- The purpose of this report is to confirm support to apply a Housing-as-a-Priority lens to Niagara Region decisions and documents, and to direct staff to implement tools to leverage Regional policies and assets to maximize affordable and attainable housing opportunities in Niagara.
- The aim of applying a Housing-as-a-Priority lens corporately is to identify and meaningfully capitalize on opportunities for generating more housing – particularly affordable, attainable, and rental housing – across the region.
- The Housing-as-a-Priority lens will strategically evaluate Niagara Region real estate holdings using a Land Optimization Framework. The framework will support updating and aligning existing data, processes, policies, and bylaws to prioritize the best options for maximizing housing opportunities.
- The Housing-as-a-Priority lens does not replace the corporate land disposal bylaw nor the process by which Regional properties are declared surplus; rather this lens will allow Council the opportunity to utilize net land sales directly for housing opportunities as these arise.
- Endorsement of a Housing-as-a-Priority lens and implementation of tools to enact solutions aligns with Regional Council's Strategic Priorities as well as local, provincial, and federal housing priorities.

- A Housing-as-a-Priority lens complements and coordinates work across Niagara Region departments, plans, and initiatives, and enables quick and cost-effective changes to achieve needed, practical outcomes for housing.

Financial Considerations

There are no immediate financial considerations related to this report as an endorsement of a Housing-as-a-Priority lens. Implementation of application tools is primarily administrative actions funded through the existing budget. Actions related to specific projects identified under this lens in the future have the potential to increase or decrease costs related to generating affordable and attainable housing; these implications will be determined on a project-by-project basis. Financial considerations will form part of the strategic evaluation criteria in various tools and approaches when ascertaining how to optimize housing opportunities. There will be no implementation of any tools that may have financial implications without reporting these to Council and ensuring disclosure of financial impacts and budget approval if necessary.

Analysis

In September 2023, a Committee of the Whole meeting was dedicated to receiving information on three key initiatives: The Affordable Housing Strategy, the Consolidated Housing Master Plan (CHMP) and the Attainable Housing Workplan. This report seeks to activate one of the initiatives outlined in those items by recommending Council endorsement of a Housing-as-a-Priority lens on Niagara Region real estate processes and related documents. This report also identifies for Council some of the implementation tools required to initiate the housing opportunities identified through this lens.

The Housing-as-a-Priority lens is an integrated way to identify and strategically capitalize on opportunities to deliver more affordable and attainable housing in Niagara. This lens will focus attention on prioritizing possibilities for housing in broader Niagara Region practices, particularly regarding Niagara Region-owned lands, which in turn will be reviewed to determine whether and how these possibilities can best be used to address existing housing needs. It will take a concerted effort across the Region's areas of business to embed this perspective, but commitment to using this lens will result in practical applications to evaluate and enact options for generating housing opportunities.

Council has demonstrated its commitment to action on housing issues throughout this Council term in many ways: by establishing the Strategic Transformation Office; by embedding objectives for housing in its Council Strategic Priorities; and in numerous discussions of housing-related issues, plans, and reports at Committees and Council. Given the diversity of need in terms of housing types and mix, the tools and approaches employed to take advantage of these opportunities must be both focused and flexible. Developing a range of tools will ensure choice of the right strategies for specific opportunities as they arise. The first step is for the Corporation to be a leader in doing business differently. Other projects and initiatives will focus on collaborating with our communities and businesses, but Niagara Region must lead by example. An immediate way to act on this commitment is application of the Housing-as-a-Priority lens, which has two areas of focus: targeting how we handle existing and future Niagara Region real estate assets and adapting Niagara Region policies and practices to align with Housing-as-a-Priority.

Targeting Regional Assets: Land Optimization Framework

Land is central to housing development; therefore, an immediate area of focus to drive leveraging new housing opportunities will be on how the Housing-as-a-Priority lens can inform decisions and processes around Niagara Region-owned land. A proposed Land Optimization Framework (LOF) would employ a range of criteria to evaluate the best use of the Region's real estate holdings with a view to increasing non-market housing. The LOF will be used to inform and guide transactional decisions about existing and future Region-owned land, ensuring that acquisition or disposition decisions are based on sound rationale with respect to need, financial considerations, and coordinated outcomes.

Some of the criteria that would inform the evaluation include, but are not limited to:

- Location
- What Housing Need(s) could be Addressed
- Planning Designations and Zoning
- Servicing
- Potential to Sever or Assemble Land
- Potential for Co-location with Other Municipal Services
- Potential for Partnerships (private, non-profit, government)
- Finances (potential cost, potential revenue generated, co-investment)
- Timelines
- Relevance to Strategic Priorities

An internal, interdepartmental consideration of the disposition and possibly acquisition of Niagara Region lands using the LOF would provide a coordinated, consistent, targeted rationale for decisions to ensure optimal use of Niagara Region real estate assets. The LOF may in fact prove a useful tool to evaluate not only Niagara Region-owned lands, but potentially any lands which may be considered for Niagara Region or partnership purposes to increase or intensify housing.

Once a clearer sense of the status and potential of a subject land parcel is determined through the LOF, a range of possible options can be considered. Options include development of the land for housing by the Region; leveraging the land in public or private partnerships to develop housing; and use of the land to co-locate housing and other municipal services (e.g., childcare, senior services). Specifically as it relates to proceeds from the sales of Regional land, any net proceeds from these sales will be available for housing investments only. The investments would include reinvestment in other new housing sites, or to offset any site preparation costs incurred with efforts to maximize value on an identified parcel (i.e., planning applications for up-zoning, demolition activities, EOIs, etc.); or other uses as determined by the specific case.

This re-investment approach of the sale of assets to fund housing, would only be in effect for the remainder of this Council term, having a sunset ending December 31, 2026. Should future Councils wish to review this policy and continue its approach, affirmation of that renewal would need to be considered at that time.

Adapting Regional Policies and Practices

Another tool to support affordable and attainable housing without a negative impact on the levy is thoughtful review and revision of existing Niagara Region processes and documents. Aligning policies, procedures and documents through a Housing-as-a-Priority lens has the potential to streamline decisions and actions to increase and intensify housing. Real estate inventories, Requests for Proposal (RFP) wording and requirements, Expressions of Interest (EOIs), bylaw provisions, incentive coordination and others, merit review under the Housing-as-a-Priority lens to see which corporate administrative practices can be updated or synchronized to support the development of housing. An inclusive and comprehensive look at multiple Niagara Region practices will be undertaken to determine how they can be harmonized and made more responsive in assisting with leveraging new housing solutions and opportunities.

Using a Housing-as-a-Priority lens and the tools summarized above can achieve practical progress toward addressing Niagara's housing needs. They are complementary, coordinated, cost-effective, and sustainable ways to move ahead on this vital work. With Council endorsement they can be put in place with little or no delay. Individual projects employing these tools are anticipated to come before Council for consideration as required. The corporate implementation of a Housing-as-a-Priority lens is expected to result in innovation, collaboration, and efficiency.

It is important to point out that the Region's land disposal bylaw and associated process by which lands are currently declared surplus, remains in effect. The introduction of the LOF is intended as a strategic precursor to the surplus declaration and formalizes internal screening, circulation, and strategic considerations of a parcel prior to it being declared surplus. Any deviations from the land disposal bylaw would be brought to Council for consideration. For example, in cases where the LOF determines affordable housing is ideal at a specific location, but Niagara Regional Housing is unable to fund, construct or advance the site, any recommendation to advance a strategic partnership with an external partner to construct housing that is not compliant with the Region's land disposal bylaw would be brought to Council for consideration.

Alternatives Reviewed

Council could decline to endorse use of a Housing-as-a-Priority lens, and direct staff to refrain from developing and implementing related tools such as the Land Optimization Framework to ensure affordable and attainable housing are prioritized in the use of Regional real estate assets. This is not recommended as it would impede progress on several of Council's Strategic Priorities, primarily generating new affordable and attainable housing and making Regional practices more sustainable, responsive and efficient.

Council could also decline to move the proceeds derived from the sale of real estate assets and not devote them to future housing-enabling activities as outlined in this report. This would in effect be a status quo scenario, wherein proceeds from the sale of assets are moved to the general capital reserve and not directly assigned to housing-enabling opportunities. The funding formula derived from the Housing-as-a-Priority lens, wherein the proceeds from the sale of real estate assets are reinvested into housing-enabling activities through the end of the Council term, will enable Council to utilize non-levy funding to re-invest into Council's housing priority with a sunset clause of Dec. 31,

2026 when the policy will need to be reaffirmed, extended or cease (with funds returning to the general capital reserve).

Relationship to Council Strategic Priorities

Endorsing the Housing-as-a-Priority lens and directing staff to implement it with tools and approaches such as those outlined above specifically support these Council Strategic Priorities:

Effective Region

- 1.1 Implement continuous improvement and modernized processes to ensure value-for-money in regional services and programs.

Equitable Region

- 3.2 Support growth and development post-Bill 23
- 3.3 Improve access to affordable and attainable housing

Other Pertinent Reports

PDS 10-2023	Strategic Transformation Office – Overview and Priorities
CAO 10-2023	Growing Better Together: 2023-2026 Council Strategic Priorities
PDS 27-2023	Strategic Transformation Office – Attainable Housing Workplan
COMS 32-2023	Update on the Consolidated Housing Master Plan

Appendix

Appendix 1: Land Optimization Framework

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