

REPORT TO: Mayor James M. Diodati
and Members of Municipal Council

SUBMITTED BY: Chief Administrative Officer

SUBJECT: CAO-2019-07
Affordable Housing Development Partnership

RECOMMENDATION

1. That staff be authorized to partner with the Regional Municipality of Niagara to solicit competitive bids from not-for-profit partners for the construction of an affordable housing development at 4500 Park Street.
2. That staff authorized to complete the record of site condition on the subject property.

EXECUTIVE SUMMARY

The purpose of this report is to seek the approval of Council to allow for the issuance of a joint RFP with the Regional Municipality of Niagara to facilitate the construction of an affordable housing project in the City of Niagara Falls at 4500 Park Street.

Council authorized staff to proceed with discussions and preparation of an RFP related to the construction of an affordable housing project at the Park Street location. Since that time staff have been meeting with the Regional Municipality of Niagara, Niagara Housing and CMHC to put together the details of the RFP.

The Region of Niagara will be presenting a similar report to the Regional Council in May, 2019.

BACKGROUND

One of the key priorities that have been identified for this term of Council is the provision of a strong and diverse housing market that includes affordable and accessible housing opportunities for all of our residents. This will include there preparation of a comprehensive housing strategy that will establish an integrated and strategic approach to enhance Niagara Falls' capacity to ensure all residents have a safe and secure home. As part of this strategy, it's important that the City work with the private sector, not-for-profit sector and senior levels of government to facilitate the delivery of new affordable housing units on both City owned and third party land.

In order to “jump start” the ability of the City to meet its objective of providing a diverse/affordable housing market, staff is recommending that the City enter into a partnership with the Region of Niagara and Niagara Housing to put forth an RFP to solicit competitive bids from the not-for-profit sector to provide 200-300 affordable housing units in the City.

The following are the highlights of the project:

- Location of the project is 4500 Park Street (currently a City owned parking lot and former market).
- The lands are located within the Downtown Node and Transit Station Secondary Plan area within the Niagara Falls Official Plan. Schedule A-2(a) identifies the maximum height of development as 10 stories. Policies would allow buildings to be designed marginally taller through a site specific zoning application without amendment to the Official Plan where supporting documents are provided which demonstrate there will be no negative impacts on adjacent properties or the public realm. The lands are within the Mixed Use 1 designation of the Transit Station Plan which allows a minimum net density of 50 units per hectare. New development would be subject to the urban design policies of the Plan.
- The lands are currently zoned Central Business (CB) Commercial by Zoning By-law 79-200. The CB zone allows a maximum building height of 12.0 metres. Accordingly, a site specific zone would be needed to implement the Official Plan/Secondary Plan policies and to reflect the nature of the affordable housing project designed for the site. Council would consider a site specific zoning application which would address the various regulations such as setbacks, lot coverage, parking ratios and landscaping. In essence, custom designed zoning provisions would be prepared to reflect the successful project. Such an application would follow the Planning Act requirements, thus the timeframe for any proposal should allow between 16 to 24 weeks for processing.
- The City of Niagara Falls will donate the property for the project in order to assist in the affordability of the project. Safeguards will be built into the agreement to ensure the units remain as affordable units for an extended period (40 plus years).
- The City and Region would enter into agreements whereby the property would be designated as a “Municipal Capital Facility” in accordance with Section 110 of the Municipal Act which allows for the exemption from all or part of the taxes and for development charges, provided the property/units remain affordable units.
- Development Charges, Building Permit Fees, Planning Fees and studies would be waived by both the City and the Region.

- Planning staff have estimated that the site could accommodate a 10 storey building with between 200-300 affordable units. Official Plan designation is currently in place, site specific zoning will be required.
- The apartment units will be geared to market demand. Currently there is a very low vacancy rate for bachelor and one bedroom units.
- The City has already undertaken Phase 1 and 2 environmental assessments and will proceed to finalize a record of site condition for the site which will allow for the construction of residential units on the site. Monies have been allocated in the 2019 Capital Budget of demolition of the current structures on site (former market).
- The structure of the agreement between the City and the Region may also deem it eligible for CMHC incentives, including low interest loans and financing which are currently available for affordable housing projects.
- This project will not be owned or operated by the City or Region, but alternatively will be owned and managed by the not-for-profit/private sector group who is the successful applicant through the RFP process.

FINANCIAL CONSIDERATIONS

Staff are seeking approval to proceed with the issuance of a competitive, negotiated RFP process in partnership with the Region of Niagara. The City will be responsible for the following items which will have financial implications:

- Designation of the project as a municipal capital facility, therefore foregoing local regional taxes on the site provided the property remains an affordable rental building.
- Donation of the property to the project (estimated property value: \$300,000 - \$400,000)
- Completion of site works, including environmental assessments, demolitions, record or site conditions (estimate: \$150,000)
- Waving of permit fees, planning fees (estimate: \$100,000)
- Development Charges in a C.I.P. area, such as the Park Street site, are already exempt from development charges.

CITY'S STRAGTEGIC COMMITMENT

The City is committed to addressing the need for quality and affordable housing as a necessary component of a city that people want to live and invest in. This project helps deliver affordable housing units to the housing market in Niagara Falls.

Respectfully submitted: _____
Ken Todd, Chief Administrative Officer