

MANAGEMENT REPORT

Date: October 15, 2024
To: City Council
From: Kendra Fry, Housing Specialist, investStratford
Joani Gerber, CEO, investStratford
Joan Thomson, Chief Administrative Officer
Kim McElroy, Director of Social Services
Report Number: COU24-123
Attachments: Figure 1A -161 East Gore Street Brief;
Figure 1B -161 East Gore Street Aerial;
Figure 2A -38 Coriano Street Brief;
Figure 2B -38 Coriano Street Aerial;
Figure 3A -246 Railway Avenue Brief;
Figure 3B -246 Railway Avenue Aerial

Title: Proposed Redevelopment of Surplus Municipal Properties for Affordable and Attainable Housing

Objective: To progress in the goal of creating more affordable and attainable housing units via:

- 1) Approving the release of two Requests for Expressions of Interest (REOI) for 161 East Gore Street and 38 Coriano Street.
- 2) Approving the usage of the city owned building and lands at 246 Railway Avenue for affordable housing with a budget of up to \$350,000 to repurpose the building to two permanent affordable housing units.

Background: In the Stratford Housing Project: A Road Map for Attainable Market Housing Development report of May 2023, it was identified that surplus municipal lands should be activated to create affordable and attainable housing in Stratford.

The Building and Planning Services Department and investStratford along with the CAO, have identified 161 East Gore and 38 Coriano Street as potential municipal lands that are available to be redeveloped. The Team has additionally identified 246 Railway Avenue as a potential municipal building, available to repurpose into housing.

A base level report was prepared by Caroline Baker of the Housing Consortium identifying the possibility of 15 to 18 housing units on 161 East Gore Street and 12 housing units on 38 Coriano Street without any required zoning amendment. Zoning amendments or changes to the official plan could increase the unit count.

A square footage investigation of 246 Railway Avenue indicates that it could accommodate two bachelor or one-bedroom affordable units or one two-bedroom unit once repurposed.

Social Services, investStratford and the Housing Consortium recommend:

- 1) Developing a Request for Expressions of Interest (REOI) to release publicly to gauge the interest and ability of housing developers to develop affordable and attainable housing on 161 East Gore and 38 Coriano Street without commitment from the City at issuance.
- 2) Approving a budget of up to \$350,000 dollars to renovate 246 Railway Avenue into two housing units or a single two room unit, working in collaboration with local construction companies. A Request for Proposal (RFP) would be developed with the goal of attracting local developers to undertake the construction with provisions for components of the work to be potentially donated. In addition to other project components, the RFPs would be partially evaluated based on paid versus donated work.

Analysis:

161 East Gore Street and 38 Coriano Street: The REOI process reduces the unpaid administrative burden on housing developers that comes with submitting proposals for new projects. Housing developers across Ontario are receiving large plots of donated land to assist with the housing crisis. This influx of projects has made it very difficult for social purpose housing developers to be responsive to small scale projects. Thus, an REOI is proposed as it is a less laborious standard submission than a Request for Proposals but allows the municipality to gauge the possibilities on the site as well as interested partners with whom further possibilities could be explored.

A standard matrix of assessment of the REOIs will be developed and utilized by the evaluation committee to select desired proponents to submit a more fulsome vision for the sites. The evaluation committee will be determined in accordance with the City's procurement process.

Following the evaluation of proponents a more detailed submission would be requested from the proponents, to be brought to council with recommendations from the committee.

Timeline: Approximately 3 years to occupied units, 4 months for the REOI process.

The City will explore innovative funding and service delivery opportunities, including but not limited to grant programs, public-private partnerships (P3), alternative financing and procurement (AFP) approaches, and shared provision of services, as appropriate.

This alternate procurement approach allows Stratford to share the provision of affordable housing. Approximately 80 to 120 hours of staff time in the development and administration of the REOI and selection process for the REOIs will be required. This work will be completed by the Housing Consortium with the assistance of the Building and Planning Department, Social Services and InvestStratford.

246 Railway Avenue: 246 Railway Avenue is an unserviced site that has been used as storage and has now been internally identified as a potential building by staff. The site would need to be serviced and renovated as it is currently a bare concrete block building (brick facade) with no interior finishes.

The construction estimate is approximately \$350,000 to create two units of permanent affordable housing, which is half the cost of a new construction and on a much-expedited timeline.

InvestStratford is approaching construction companies and developers to donate materials and time. Dependent upon the results of this exploration, an RFP will be developed to complete the construction work.

Timeline: 9 months to one year.

The cost of building these two units is approximately half the cost of building new affordable housing units and significantly less than the cost of long-term emergency housing in hotels.

The lost opportunity cost of 246 Railway Avenue would be dependent on severing the portion of land that is usable, from the portion with the wellhead and pumping station. The lost opportunity of the sale of the land is more difficult to estimate but is estimated at \$200,000.

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	246 Railway Avenue	161 East Gore	38 Coriano Street
Opportunity- Number of possible units	2 units	15 to 18 units	12 units
Developed by	City of Stratford with construction companies	REOI process for NFP or mixed market developer	REOI process for NFP or mixed market developer
Timeline	9 months to 1 year	3 years	3 years
Cost	\$350,000	80 to 120 hours of staff time	80 to 120 hours of staff time
Approximate land value	Nominal due to need to sever well head and scale of land	\$550,000 to \$600,000	\$850,000 to \$1,050,000

Financial Implications: REOI Process 161 East Gore and 38 Coriano Street

Financial impact to current year operating budget:

There is no anticipated financial impact to the current year operating budget for the in-kind staff time required.

Financial impact on future year operating budget:

An analysis of the future financial implications of servicing the sites with water and sewage infrastructure will be forthcoming before an agreement is made to develop the sites. Any additional financial impacts would be considered and quantified at that time.

Should Council elect to proceed with a proponent, there will be legal and staff time in developing the contractual agreement and potential transfer of land. It is possible that the land would be donated to the project, dependent on the level of affordability and number of units proposed at each site. The lost opportunity cost of not selling these sites is at approximately \$550,000 to \$600,000 on 161 East Gore Street and \$850,000 to \$1,050,000 on 38 Coriano Street. This is estimated based on GeoWarehouse only and is not a full market valuation.

Link to asset management plan and strategy:

These initiatives do not directly link to the asset management plan and strategy. Any lands donated or potential structures developed or acquired will impact the City's asset holdings and subsequent management, including planning lifecycle events and ultimate replacement.

Legal considerations:

The development of the final agreement for development, once the proponent is selected, will require the review and services of the City Solicitor.

Insurance considerations:

Any insurance considerations would be reflected in final agreements to ensure the City's interests are protected, and liabilities mitigated as much as possible.

Financial Implications: Repurposing of 246 Railway Avenue to two housing units**Financial impact to current year operating budget:**

To bring services to 246 Railway Avenue, the estimated cost would be \$30,000 based on a typical house servicing cost under the City's HSA program. This work however, would impact the City's bottom line, as there would not be recovery from the property owner as in the case of other HSAs and would impact the Engineering division's contracted services expenses for 2024. This could result in the division being over-budget.

Financial impact on future year operating budget:

The anticipated financial impact on the 2025 budget would be \$320,000 to construct the two interior units with finishes, ready for occupation. The Housing Consortium continues to work with local builders and developers to reduce these costs via in kind donations in exchange for recognition and signage on the site as well as tax receipts. This amount would need to be included in the 2025 budget for consideration and may impact the tax levy, depending on any other funding sources that may be identified.

Link to asset management plan and strategy:

This initiative does not directly link to the asset management plan and strategy. Any lands donated or potential structures developed or acquired will impact the City's asset holdings and subsequent management, including planning lifecycle events and ultimate replacement.

Legal considerations:

Legal review may be required for contracts and to ensure that programming is compliant with legislation.

Insurance considerations:

The property will continue be insured at fair market value to ensure the City's interests are protected, and liabilities mitigated as much as possible.

Other:

The site would become a part of the City's portfolio of housing properties.

Alignment with Strategic Priorities:**Enhance our Infrastructure**

This report aligns with this priority as water and sewage infrastructure will be further developed as a part of new housing builds on all three sites.

Build Housing Stability

This report aligns with this priority as the City would be activating three surplus sites to create additional affordable and attainable housing units.

Intentionally Change to Support the Future

This report aligns with this priority as the City would be increasing Stratford's density, enhancing our affordability and activating long vacant sites.

Alignment with One Planet Principles:**Health and Happiness**

Encouraging active, social, meaningful lives to promote good health and wellbeing.

Equity and Local Economy

Creating safe, equitable places to live and work which support local prosperity and international fair trade.

Culture and Community

Nurturing local identity and heritage, empowering communities and promoting a culture of sustainable living.

Staff Recommendation: THAT Council directs City staff to develop a Request for Expression of Interest [REOI] process to gauge developer interest in the municipal lands at 38 Coriano Street and 161 East Gore Street;

THAT the REOI be developed to attract developers engaged in the creation of affordable and attainable units of housing on the lands in question;

THAT a report be prepared for Council's consideration following the evaluation process;

THAT the City issue an RFP to create two new affordable housing units at 246 Railway in the most efficient and economically sustainable way possible;

AND THAT the Matrix of evaluation criteria account for donated goods and in kind services.

Prepared by:

Kendra Fry, Housing Specialist, investStratford

Recommended by:

Joani Gerber, CEO, investStratford

Joan Thomson, Chief Administrative Officer

Kim McElroy, Director of Social Services

Figure 1A -161 East Gore Street Brief:

The Housing Consortium - Kendra Fry and Caroline Baker

Approximate value - Kendra Fry

Recognizing that only a full appraisal can provide this information, like properties and land value trends were used to project a value if sold of approximately \$550,000 to \$600,000. Please note that this is not a formal valuation and should not be relied on to set a sale price, but simply as a ballpark figure that requires further validation by an appraiser.

Proposed Development Options – Caroline Baker

As discussed, the purpose of this brief is to summarize theoretical densities on 161 East Gore for a residential development.

- The property is approximately 0.24 hectares in size, with 54 metres of frontage (to be confirmed by a legal survey).
- The property is designated as "Residential Area" in the SOP, which may permit up to 65 units per hectare for residential uses. To achieve the 65 uph, the application would need to demonstrate land use compatibility with the surrounding area.
- Using 65 uph, a theoretical maximum on property is around 15 dwelling units. This is the maximum number of dwelling units that could be permitted without needing an Official Plan Amendment.
- The Site is zoned as "R2(1)", which permits a range of low-density residential uses, including single detached dwelling and semi-detached dwellings. There are no specific maximum uph figures in the R2(1) Zone, but there are minimum lot sizes and lot frontages.
- An option, subject to confirmation on size of the property, would be to create 3 semi-detached buildings (this would equate to 6 dwellings units, each on their own legal lot). Within each of the 6 dwellings, a ADU could be provided (increasing the unit count to 12). This would require a double driveway on each legal lot.
- Extending on this option, consideration could be given to a third suite, that would be detached and located in the rear yard. This would increase the total units to 18. Of note, on this option, sufficient parking may not be possible to permit a third unit on each lot.
- This option could avoid a Zoning By-law Amendment Application. Severance applications, along with a potential minor variance (TBD).

- Should townhouses or multi-unit buildings be considered for the property, a Zoning By-law Amendment Application would be required.
- Any development application will require the completion of a Noise Study to address the noise source at the CN railyard. They may likely object to any application.
- Additional studies/reports may be required for proposed applications, including planning, traffic, and legal surveying.

Figure 1B -161 East Gore Street Aerial:



Figure 2A -38 Coriano Street Brief:

The Housing Consortium - Kendra Fry and Caroline Baker

Approximate Value - Kendra Fry

Recognizing that only a full appraisal can provide this information, like properties and land value trends were used to project a value if sold of approximately \$850,000 to \$1,050,000. Please note that this is not a formal valuation and should not be relied on to set a sale price, but simply as a ballpark figure that requires further validation by an appraiser.

Proposed Development Options - Caroline Baker

- The property is approximately 0.15 hectares in size, with 15 metres of frontage on Coriano Street. There is a secondary frontage on Waddell Street to the north (to be confirmed by a legal survey).
- There is an unopened road allowance from Coriano Street, connecting to the former fairgrounds (now the Bromberg subdivision). In liaising with City staff, a road connection from Coriano Street to the new subdivision is not anticipated, given the approved design for the Bromberg subdivision. A walkway connection will be maintained to connect Coriano Street with the new development. There is an opportunity to explore with Council and staff to declare a portion of the unopened road allowance and therefore increase the lot area an additional approximately 440 square metres. This would increase the overall property size to approximately 0.19 ha.
- The property is designated as "Residential Area" in the existing Stratford Official Plan, which may permit up to 65 units per hectare for residential uses. To achieve the 65 uph, the application would need to demonstrate land use compatibility with the surrounding area.
- Using 65 uph, a theoretical maximum on property is around 12 dwelling units. This is the maximum number of dwelling units that could be permitted without needing an Official Plan Amendment.
- The Site is zoned as "R1(4)", which limits uses to single detached dwellings and group homes. There are no specific maximum uph requirements in the R1(4) Zone, but there are minimum lot sizes and lot frontages.
- In any development scenario, it would be recommended that the walkway connection from Coriano Street to Waddell Street be maintained for pedestrian connectivity.

Option 1: Consent and Minor Variance

- Sever the land, such that there are two lots

- Both lots would have access to Coriano Street
- Each lot could theoretically be permitted for three (3) dwelling units (one main unit and two accessory units) = 6 total dwelling units
- A Minor Variance would be required to address the minimum lot frontage width and potentially building setbacks

Option 2: Zoning By-law Amendment

- Rezone the site to a medium density residential zone to permit the construction of multi-unit buildings, with up to 12 dwelling units
- Application would require a Planning Justification Report, Servicing Reports, Conceptual Site Plan/Elevations at a minimum, subject to confirmation by City staff
- Should the Zoning By-law Amendment be approved, a Site Plan Application would be required. If the selected builder reduced to 10 units, Site Plan Approval would not be required.

Figure 2B -38 Coriano Street Aerial:



Figure 3A -246 Railway Avenue Brief:

The Housing Consortium- Kendra Fry

Approximate Value-Kendra Fry

With a well head onsite and the need to sever it in order to sell the land, a sale value can't be determined at this time but is estimated to be between \$200,000 and \$300,000.

Proposed Development Option- Kendra Fry

A review onsite suggests that the cement block, brick façade structure is sound. The site is unserviced and without interior finishes. Thus, water and sewage hooks up will be required. A renovation of the building could create one of:

- Two bachelor or one bedroom units with a shared front entryway
- One two bedroom small home

No changes in zoning are required. Fencing around the well head will be required.

Figure 3B -246 Railway Avenue Aerial:

