

Affordable Housing Land Banking Strategy Phase 2 Update

Presented To:	Planning Committee
Meeting Date:	May 27, 2024
Type:	Managers' Reports
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Recommended by:	General Manager of Growth and Infrastructure
File Number:	N/A

Report Summary

This report provides a recommendation regarding an update on the next phase of the City's Affordable Housing Land Banking Strategy and recommends that the City initiate the required process under the Planning Act to rezone the City owned properties at Bancroft and First Avenue in Sudbury and northerly vacant portion of the Lionel E Lalonde Centre site in Azilda to a Medium Density Residential (R3-1) zone and further that the City initiate the required process to declare these properties surplus and add them to the City's Affordable Housing Land Bank.

Resolution

THAT the City of Greater Sudbury directs staff to initiate Planning Act processes to rezone the following City owned lands to Medium Density Residential (R3-1), as outlined in the report entitled "Affordable Housing Land Banking Strategy Phase 2 Update" from the General Manager of Growth and Infrastructure, presented at the Planning Committee meeting on May 27, 2024:

- a) The City owned lands north of Bancroft Drive and west of First Avenue, legally described as PIN 73578-0573, being Part 1 on Plan 53R-20646 and 73578-0574(LT), being Parts 2,3,4 on Plan 53R-20646; PIN 73578-0223(LT), being Part 5 on Plan 53R-20646; and PIN 73578-0576(LT), being Part 6 on Plan 53R-20646, City of Greater Sudbury;
- b) The City owned lands that comprise the vacant northly portion of the Lionel E Lalonde Centre site at 239 Montee Principale.

THAT the City of Greater Sudbury directs staff to initiate the required process to declare the following City owned properties surplus and added to the City's Affordable Housing Land Bank, as outlined in the report entitled "Affordable Housing Land Banking Strategy Phase 2 Update" from the General Manager of Growth and Infrastructure, presented at the Planning Committee meeting on May 27, 2024:

- a) The City owned lands north of Bancroft Drive and west of First Avenue, legally described as PIN 73578-0574(LT), being Parts 1, 2,3,4 on Plan 53R-20646; PIN 73578-0223(LT), being Part 5 on Plan 53R-20646; and PIN 73578-0576(LT), being Part 6 on Plan 53R-20646, City of Greater Sudbury;
- b) The City owned lands that comprise the vacant northly portion of the Lionel E Lalonde Centre site at 239 Montee Principale.

Relationship to the Strategic Plan, Health Impact Assessment and Climate Action Plans

The Land Banking Strategy aligns with Council's Strategic Priorities including "Expand Affordable and Attainable Housing Options" and "Develop and Promote Solutions to Support Existing Housing Choices". The Land Banking Strategy is one of the actions of the Housing Supply Strategy and addresses actions outline in the Housing goal of the Strategic Plan, which reflect Council's desire for all citizens, especially vulnerable populations, to have access to safe, affordable, attainable and suitable housing options in the City of Greater Sudbury.

The Land Banking Strategy aligns with goal 1 of the CEEP, creation of compact, complete communities.

Financial Implications

There are no financial implications associated with this report. If approved, the process to rezone the properties and declared them surplus will be undertaken with existing staff resources.

Background

City of Greater Sudbury Housing Supply Strategy

On January 16th, 2024 a draft Housing Supply Strategy was presented to Council. The Strategy aims to ensure that all current and future residents have access to the housing options that meet their needs at all stages of life, and that are attainable at all income levels. The Housing Supply Strategy recommends a series of 17 focus areas to realize the objectives of goals and achieve the City's housing target. Focus Area 10 supports the creation of affordable housing units through reviewing, preparing, accumulating and disposing of City owned properties that are determined to be suitable for the development of affordable housing in conjunction with the Affordable Housing Community Improvement Plan (AHCIP). Providing land along with other incentives increases the financial viability of affordable housing projects which often require multiple funding sources to construct and operate over the long term. These infill projects will maximize the use of existing infrastructure and contribute to vibrancy in established neighbourhoods. De-risking these City owned properties in advance through rezoning and undertaking required background studies ensures that these lands are "shovel ready" when housing or funding opportunities present themselves.

Provincial Housing Target, Population and Household Projections and Housing Needs Assessment

In 2023, Greater Sudbury was assigned a Provincial housing target of 3,800 new residential units (of all dwelling types) by 2031. In 2023, the City also completed an update of its Population, Household and Employment projections with 2021 Census data. The update found that the City is projected to grow by 18 to 30 thousand people and 10 to 11 thousand new homes over the next 30 years. The built form is also expected to shift away from single detached homes to more apartments and row/townhomes. In August of 2023, the City presented its Housing Supply and Demand Analysis, which identified an immediate need for 470 additional rental units in the City to achieve a healthy vacancy rate of 5% and an average of 66 additional rental units per year for the next 30 year to meet anticipated demand. The report was subsequently updated with new information in April of 2024 which increased the need to 113 rental units per year for the next 30 years (total of 3,400 additional rental units required). The gap exists across all rental typologies (purpose built rental, townhomes, privately leased homes, etc) and unit types (Bachelor, 1-bedroom, 2-bedroom and 3-bedroom). Both reports highlight the need for rentals (both affordable and market), the need for apartments, and a shift in market demand towards row and townhomes.

In order to meet shift in market demand and the current and projected housing needs identified in the above studies, it is critical that the City owned lands being added to the Affordable Housing Landbank have the proper zoning in place to accommodate the needed housing typologies. Details on the zoning and Official Plan designation most appropriate to address the housing gaps identified is provided later in this report.

Affordable Housing CIP and Land Banking

The Affordable Housing CIP (AHCIP) offers 4 programs targeting multi-unit affordable housing development:

- Tax Increment Equivalent Grant Program (the value of a TIEG Grant is equal to the increase in property assessment and municipal property tax resulting from the development or redevelopment as outlined in the Guide);
- Planning and Building Permit Fee Rebate Program (which offers rebates of up to \$5,000 for planning fees and \$30,000 for building permits per property as outlined in the Guide);
- Feasibility Grant Program (which offers up to a maximum of \$5,000); and a residential incentive program (per door grant) (which provides up to \$200,000 for newly created affordable dwelling units, \$20,000 per unit or \$10 per square foot of newly created affordable habitable space), and
- Secondary Dwelling Unit incentive Program available to Non-Profit Corporations.

As outlined in Section 2.3 of the AHCIP, a key component of the AHCIP is the land banking of municipal property for use in conjunction with the Plan. The AHCIP allows Council to acquire, sell, lease, prepare and dispose of property at below fair market value to achieve the goals of the Official Plan and the Affordable Housing Strategy. Projects and potential landbank properties are reviewed using criteria to assess the feasibility of developing the property and, also, locational criteria focused on the needs of tenants. Land Banking criteria include:

- Location within the Built Boundary.
- Servicing feasibility and capacity.
- Development constraints.
- Proximity to transit.
- High demand areas on the housing wait list.
- Proximity to educational, community and healthcare facilities.
- Availability of passive and active recreation opportunities, and
- Proximity to employment/commercial areas for both retail needs and potential places of employment.

Land Banking Process

In 2020, Council approved Phase 1 of the Land Banking Strategy which set up the framework for evaluating surplus municipal properties to determine suitability for affordable housing. The strategy also described to roles of various City divisions and Council in the land banking process as follows:

Real Estate: responsible for circulating potential sites of interest and preparing reports requesting land determined to be appropriate for affordable housing to be declared surplus and part of the affordable housing land bank.

Planning and Housing Services: responsible for evaluating sites in relation to criteria established through the Affordable Housing CIP and act as primary point of contact for applications under the AHCIP.

Council: responsible for approving the addition of properties to the Affordable Housing Land Bank and approving any proposals to divest or otherwise prepare sites in the Land Bank for future development. Both the AHCIP and the Land Banking Strategy contemplate preparation of land prior to divesting it for the development of affordable housing. Preparation includes such de-risking activities as geotechnical studies, servicing capacity reviews and rezoning of the site to limit uncertainty (both with respect to cost and time) for potential developers. By undertaking these de-risking activities in advance, the City can ensure these sites are “shovel ready” for future development opportunities. In the meantime, the sites can remain in their current state.

Since the adoption of Phase 1 of the Land Banking Strategy, staff have been reviewing City-owned lands using the criteria established in the Affordable Housing CIP. Staff have also been reviewing any lands circulated by Real Estate, including both City-owned and owned by another agency. In November 2023, Council approved the purchase of the Bancroft site from the Sudbury and District Catholic School Board, which had been declared surplus by the School Board and circulated to the City as a preferred agency pursuant to the *Education Act* regulation *Disposition of Surplus Real Estate*.

Analysis

Based on the identified need for purpose-built rentals, the amount of land required for multi-residential developments and the locational criteria established in the AHCIP, two (2) City owned sites were identified as priority properties through staff's review. As contemplated in the AHCIP and the City's Affordable Housing Landbank, it is recommended that the following sites be de-risked by rezoning them to accommodate the housing typologies identified earlier.

Minnow Lake / Bancroft Site

The former school board property is located North-West of the intersection of Bancroft Avenue and First Avenue in Minnow Lake. The property is approximately 5.21 ac (2.1 ha) and is proposed to be consolidated with an adjacent 0.8 ac (0.32 ha) parcel of land already owned by the City. The lands have approximately 75 m of frontage along Bancroft Ave (both City-owned parcels) and approximately 146 m of frontage along First (Site summary provided as Attachment 1).

The lands are currently zoned Low Density Residential (R1-5) and Designated Living Area 1. The site is appropriately designated in the Official Plan but would require rezoning to permit medium density residential development which would include the rental housing typologies identified in the Housing Supply and Demand Analysis, including multi residential and row/townhouses. With respect to servicing feasibility, fire flow is sufficient for a multi-residential development and there is a 300+ l/s at the main. The model demonstrates that there currently is sanitary sewer capacity available for the property. The site is relatively flat, based on a preliminary review of orthophotography there do not appear to be any development constraints.

The site is located adjacent to existing active transportation infrastructure, and is in proximity to both active and passive recreational opportunities, including the Morel Family Foundation Park on Second Avenue; educational and health care facilities as well as a cluster of commercial developments at the corner of Second Ave and Bancroft Ave.

Azilda / Northerly Portion of the Lionel E Lalonde Centre Site

The property is located on the east side of Montee Principale, north of St. Agnes Street and contains the Lionel Lalonde Centre. Only the vacant, northerly 11.5 ac (4.64 ha) portion of the site, having approximately 212 m of road frontage is proposed to be included in the affordable housing land bank. The lands are currently occupied by soccer fields. The potential loss of the track and soccer fields would be evaluated in relation to available options and facilities through the Parks, Open Space and Leisure Master Plan as part of the established process to declare municipal properties surplus. (Site summary provided as Attachment 2).

The lands are currently zoned Institutional (I(28)) and Designated both Living Area 1 (northern-most portion) and Institutional. The site would require rezoning to permit a medium density residential development. The lands have sufficient water and sewer capacity for medium density development.

The site is adjacent to planned active transportation and is near an existing bus route. There are existing recreational opportunities in the Lionel E Lalonde Facility and the Rick McDonald Complex is also in proximity. Educational, health care, grocery and commercial uses are clustered near the intersection of St. Agnes and Notre Dame St. E.

Official Plan

The Living Area 1 designation includes residential areas in urbanized communities that are fully serviced by municipal water and sewer. Medium density housing is permitted in all Living Area 1 designation where full municipal services are available. New residential development must be compatible with the existing physical character of established neighbourhoods, with consideration given to the size and configuration of lots, predominant built form, building setbacks, building heights and other provisions applied to nearby properties under the Zoning By-law. In medium density developments, all low-density housing forms are permitted, including small apartment buildings no more than five storeys in height to a maximum net density of 90 units per hectare. The Official Plan recognizes that there will be transition of some institutional properties due to changing demographic trends and other factors and provides a framework for evaluating the conversion of such sites to other uses, including residential. Each of the sites will be assessed in relation to the policies of the Official Plan through the formal rezoning process.

Zoning By-law

The R3-1 Medium Density Residential Zone permits a range of dwelling types from single detached and semi-detached dwelling to multiple dwellings (apartments), row dwellings, and street townhouses. The R3-1 permits a maximum height of 19.0m or 5 storeys for multiple dwellings and permits a maximum lot coverage of 50%. The built form enabled through the R3-1 zone would address the need for purpose-built rental identified through the Housing Needs Assessment, and provides the flexibility to allow for other built forms and typologies that will be in demand, including row homes. Additionally, the R3-1 zone has established development standards that mitigate the transition between low and medium density residential development, including building setbacks, vegetative buffers, etc. To ensure that the lands are used in conjunction with the AHCIP, it is anticipated that, if approved, they will be placed under a Holding provision pending entering into an Affordable Housing Agreement with the City to the satisfaction of the General Manager of Community Services.

Summary and Next Steps

The implementation of Phase 2 of the Land Banking Strategy is the next stage in implementing the Affordable Housing Strategy and is an action item included in the Housing Supply Strategy. Preparation and de-risking of municipal owned sites is critical to ensuring they are shovel ready. Rezoning of the Minnow Lake/Bancroft Site and the Azilda/Lionel Lalonde Site to R3-1 is an important component of de-risking and is the appropriate zone to achieve the built form that the City needs to address the identified gaps in the rental housing segment of the housing continuum.

The next step in the process would be to initiate the *Planning Act* process to rezone the properties along with the parallel process to declare them surplus and added to the City's Affordable Housing Land Bank. Subjecting the properties to the formal rezoning process will ensure a thorough site-specific analysis and recommendations for Council to consider. This process will also include opportunities for public input, and it is recommended that the rezonings proceed as two stage processes with one public hearing to hear public input and a second public hearing for staff to provide a recommendation for Planning Committee's consideration. At the same time the process to declare the lands surplus will also involve a review of the lands to ensure they are not needed for any other City purposes, are free of infrastructure, along with any requirements pertaining to the Parkland Disposal By-law. The rezoning of the properties and declaring them surplus would be subject to future Council decisions.

Resources Cited

1. Affordable Housing Strategy website, <https://www.greatersudbury.ca/do-business/planning-and-development/affordable-housing-strategy/>
2. Affordable Housing Community Improvement Plan, 2018, <https://www.greatersudbury.ca/do-business/planning-and-development/affordable-housing-strategy/housing-strategy-pdfs/affordable-housing-community-improvement-plan/>
3. Affordable Housing Land Banking Strategy, 2020, <https://pub-greatersudbury.escribemeetings.com/FileStream.ashx?DocumentId=940>
4. Bancroft acquisition resolution, PL2023-142, <https://pub-greatersudbury.escribemeetings.com/FileStream.ashx?DocumentId=51562>
5. Housing Supply Strategy, Over To You webpage, <https://overtoyou.greatersudbury.ca/housing-supply-strategy>
6. Housing Supply Strategy, January 16, 2024, <https://pub-greatersudbury.escribemeetings.com/filestream.ashx?DocumentId=52176>
7. Updates Regarding the Housing Supply and Demand Analysis and Provincial Housing Target, <https://pub-greatersudbury.escribemeetings.com/Meeting.aspx?Id=7e7497f9-b41c-47c7-bad0-f4714b8a084c&Agenda=Agenda&lang=English&Item=25&Tab=attachments>
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9. City of Greater Sudbury Official Plan, <https://www.greatersudbury.ca/city-hall/reports-studies-policies-and-plans/official-plan/>
10. Zoning By-law 2010-100Z, <https://www.greatersudbury.ca/do-business/zoning/zoning-by-law-2010-100z/>