

Request for Decision

Funding for Federal Lands Initiative

Presented To:	City Council
Presented:	Tuesday, Jul 07, 2020
Report Date	Wednesday, Jun 24, 2020
Type:	Managers' Reports

Resolution

THAT the City of Greater Sudbury approves the Social Housing Capital Reserve Fund as a funding source of up to \$5.5 Million for the redevelopment of the property on Sparks Street as outlined in the report entitled "Funding for Federal Lands Initiative", from the General Manager of Community Development, presented at the City Council meeting on July 7, 2020;

AND THAT the City of Greater Sudbury directs staff to amend the Greater Sudbury Housing Corporation Municipal Capital Facility By-law 2015-114 to include the property at 1310 Sparks Street.

Relationship to the Strategic Plan / Health Impact Assessment

This report supports Council's Strategic Plan in the area of Quality of Life and Place as it aligns with the Population Health Priority of Housing, Holistic Health, and Age Friendly Strategy. The Federal Lands Initiative redevelopment project will increase the supply of affordable one bedroom housing units in New Sudbury to reflect the waitlist demand.

Report Summary

This report provides City Council with an update on the Federal Lands Initiative project at 1310 Sparks Street and requests approval of the Social Housing Capital Reserve Fund as a funding source for the redevelopment project.

Financial Implications

For the redevelopment of the property on Sparks Street, Council approves the use of the Social Housing Capital Reserve fund which has available funds of approximately \$7.1 Million. Preliminary costs of redevelopment are \$5.5 Million. Future reports will be prepared outlining the results of public consultation,

Signed By

Report Prepared By

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Director, Housing Operations
Digitally Signed Jun 24, 20

Manager Review

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Director, Housing Operations
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Financial Implications

Steve Facey
Manager of Financial Planning & Budgeting
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Recommended by the Department

Steve Jacques
General Manager of Community Development
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Recommended by the C.A.O.

Ed Archer
Chief Administrative Officer
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rezoning and design for the redevelopment of the property.

Executive Summary

On January 21, 2020 Council approved Resolution CC2020-02 authorizing the application and purchase of 1310 Sparks Street, Sudbury, ON at a maximum cost of \$30,000 through the CMHC Federal Lands Initiative Program funded by the Social Housing Capital Reserve Fund.

On May 5, 2020 the Greater Sudbury Housing Board of Directors was provided an update on the purchase and authorized the Chief Executive Officer (CEO) of the Greater Sudbury Housing Corporation (GSHC) to sign the agreement of purchase and sale and execute the necessary documents to complete the purchase process.

This report seeks approval of Council to utilize funds from the Social Housing Capital Reserve Fund for the acquisition, demolition and redevelopment of the Property as approved by the Greater Sudbury Housing Board of Directors, and to amend the Municipal Capital Facilities By-law 2015-114 with the GSHC to include the property at 1310 Sparks Street.

Background

The Federal Lands Initiative supports the transfer of surplus federal lands and buildings to eligible proponents. The lands and buildings are available at discounted to no cost to be developed or renovated for use as affordable housing. The discount on the property will depend on the level of social outcomes achieved by the winning proposal. Once transferred, the successful proponent agrees that the property will be developed or renovated into affordable, sustainable, accessible and socially inclusive housing.

Housing Services put forth an expression of Interest on 1310 Sparks Street, Sudbury through the Federal Lands Initiative. New Sudbury was identified in the social housing revitalization plan as one of the geographic areas that lacks subsidized housing and the largest waitlist demand is for one bedroom units.

On January 21, 2020, Council approved the application under this initiative and authorized the use of funds from the Social Housing Capital Reserve Fund to fund the purchase price.

A working group comprised of CGS staff from community development, communications and planning has been developing a community engagement strategy for the project. The strategy will include community consultation throughout the rezoning, planning and development phases to ensure the success of the project.

On May 5, 2020 Council in its capacity as the Greater Sudbury Housing Corporation Board of Directors approved the GSHC Board resolution 20-02 authorizing the CEO to sign and execute the agreement of purchase and sale and other agreements related to this transaction. In addition, the Board requested approval for the use of funds from the Social Housing Capital Reserve fund for the demolition and redevelopment of the property. A copy of the resolution is attached as Appendix A.

Update on Current Status

The agreement of Purchase and Sale and a Framework agreement were signed and dated on May 13th, indicating a closing date for the purchase of July 8th. External legal counsel has been retained by GSHC to execute the transaction. A community consultation process will be undertaken as part of the rezoning process. An RFP for architectural services to design this building in conjunction with community consultation information will be issued.

Expenditures on this project include:

Purchase Price	\$23,600
Land Transfer Tax	\$8,275
Other Fees and Disbursements	<u>\$6,818</u>
Total paid to June 17th	<u>\$38,693</u>

Updates will be provided to Council through the redevelopment phases.

Social Housing Capital Reserve Fund

As per the Reserve Fund By-law 2020-56 the Social Housing Capital Reserve Fund shall be used for Social Housing capital projects as authorized by Council. The balance in the Reserve fund is approximately \$7.1 Million. As previously reported to Council, the estimated cost for the redevelopment project at 1310 Sparks Street is \$5.5 Million. The project budget includes costs for rezoning, community consultation, demolition of the existing structure, hard and soft costs for consulting, design and construction of a 14 unit passive building in accordance with CMHC program guidelines. This report seeks approval of Council to utilize funds from the Social Housing Capital Reserve Fund for the redevelopment of 1310 Sparks Street.

Municipal Capital Facilities

On June 9, 2015 Council approve a Municipal Capital Facilities for Affordable Housing By-law 2015-113

<https://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&lang=en&id=816&itemid=9230> and a Municipal Capital Facilities agreement with GSHC By-law 2015-114 <https://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&lang=en&id=816&itemid=9881> which provided property tax exempt status to the GSHC housing properties.

As a result of the purchase of the property at 1310 Sparks Street, this report requests the approval to amend By-law 2015-114 to include the property.



Directors Motion #20-02

DATE: May 5, 2020

BOARD: Greater Sudbury Housing Corporation

AGENDA ITEM: Federal Lands Initiative

MOVED BY: Councillor Lapierre

SECONDED: Councillor McCausland

WHEREAS Her Majesty the Queen in Right of Canada as represented by the Minister of Public Works and Government Services has declared surplus to its requirements certain land municipally known as 1310 Sparks Street, Sudbury and described as PIN 02120-0158(LT) being Surface Rights Only to the East half of Lot 24 on Plan M-300 and Lot 25 on Plan M-300;

AND WHEREAS Canada Mortgage and Housing Corporation, as an agent of the Government of Canada, administers a government program called the “Federal Lands Initiative” pursuant to which Canada Mortgage and Housing Corporation uses government funds to support the sale of surplus federal real property to selected entities so those entities can develop affordable housing that is energy efficient, accessible and socially inclusive;

AND WHEREAS the Greater Sudbury Housing Corporation wishes to purchase the said property under the Federal Lands Initiative, for the purpose of demolition of the existing structure and subsequent construction thereon of a 14 unit residential apartment building to be used as affordable housing, using funds provided by the City of Greater Sudbury from the City’s Social Housing Capital Reserve Fund;

Resolved as Board of Directors for the Greater Sudbury Housing Corporation:

1. The Chief Executive Officer (CEO) for the Greater Sudbury Housing Corporation is hereby authorized:
 - (a) To approve the form of, and sign on behalf of the Greater Sudbury Housing Corporation (“GSHC”), an Agreement of Purchase and Sale between Her Majesty the Queen in right of Canada as Vendor and the Greater Sudbury Housing Corporation (“GSHC”) as Purchaser for the purchase of property

municipally known as 1310 Sparks Street, Sudbury and legally described as PIN 02120-0158 (the "Property") for \$590,000 plus applicable HST;

- (b) to take such steps as may be required to meet the conditions in the Agreement of Purchase and Sale for the benefit of the GSHC, and to waive conditions when and if, in the opinion of the CEO, it is appropriate to do so;
- (c) to extend or shorten any dates in the said agreement, and
- (d) to take all steps, sign all documents, including confirmation of the representations and warranties in the Agreement of Purchase and Sale and financial instruments to carry out the transaction.

2. The Chief Executive Officer for the Greater Sudbury Housing Corporation is hereby authorized to:

- (a) approve the form of and sign on behalf of the GSHC, a Framework Agreement with CHMC regarding the Property;
- (b) to approve the form of, and sign on behalf of GSHC such agreements with Canada Mortgage and Housing Corporation ("CHMC") regarding the Property as are required by the Framework Agreement, including:
 - (i) A Loan Agreement for \$566,400, forgivable upon operation of the Property as an affordable housing project for 55 years from the date of occupation, and other conditions as set out therein;
 - (ii) A Mortgage on the Property Collateral to the Loan Agreement;
 - (iii) An Operating Agreement, committing to operating the Property affordable housing project for 55 years;
 - (iii) An Option for CMHC to Purchase the Property; and
 - (iv) such other documents as may be reasonably required.
- (c) to request and utilize funds provided by the City of Greater Sudbury from its Social Housing Capital Reserve Fund for the acquisition of the Property and subsequent redevelopment of the Property in accordance with 2(d);
- (d) to take such steps and to sign such agreements and documents may be required to demolish the existing building on the Property after acquisition; to have designed and constructed on the Property a 14 unit residential apartment building in accordance with the Accessibility Requirements, Affordability Requirements, Energy Efficiency requirements of the Federal Housing Initiative and as provided by the Agreements referenced in paragraph 2(b) for the delivery of affordable housing.

Carried:

Yes / No / As Amended

Signature:

Fern Cormier

Councillor F. Cormier, Chair
