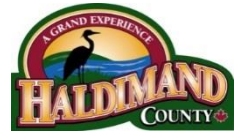


---

# HALDIMAND COUNTY

## Report CMS-GM-02-2018 Dunnville Seniors Affordable Housing Land Lease For Consideration by Council in Committee on January 16, 2018

---



### OBJECTIVE:

To obtain Council approval to enter into a Land Lease agreement with Capability Support Services Inc. for the development of 14 Seniors Affordable Housing units on the County's Grandview Lodge property in Dunnville.

### RECOMMENDATIONS:

1. THAT Report CMS-GM-02-2018 Dunnville Seniors Affordable Housing Land Lease be received;
2. AND THAT the request by Capability Support Services Inc. to enter into a 49 year Land Lease agreement with an annual lease payment of \$1, plus their responsibility for associated insurance, utilities, property taxes and maintenance, for use of the property identified as Part of Lot 3, Indian Reserve, Plan 69 being Parts 1,2,3,4 on 18R-7504, Haldimand County, 663 Broad Street West, Dunnville, be approved;
3. AND THAT the proposed seniors affordable housing development, as outlined in Report CMS-GM-02-2018, be considered as a Municipal Housing Project Facility for the purposes of the lease agreement, as contemplated by Section 110 of the *Municipal Act*, and by Section 3(1) of Ontario Regulation 603/06;
4. AND THAT a by-law to designate Part of Lot 3, Indian Reserve, Plan 69 being Parts 1,2,3,4 on 18R-7504 Haldimand County, 663 Broad Street West, Dunnville as a Municipal Capital Facility, be presented for enactment;
5. AND THAT the Mayor and Clerk be authorized to sign the attached Land Lease agreement with Capability Support Services Inc.

**Respectfully submitted:** B. Hugh Hanly, General Manager of Community Services

**Approved:** Karen General, CPA, CGA, Deputy Chief Administrative Officer

### EXECUTIVE SUMMARY:

In report CMS-GM-03-2017 Potential Development Lands at Grandview Lodge submitted to Council in Committee May 9, 2017, Council granted approval to Capability Support Services to submit an expression of interest under the *Home for Good* program released by the Province of Ontario, in order to develop seniors affordable housing on County owned lands located at Grandview Lodge, Dunnville. To allow this project to proceed, a formal long term lease agreement is required for the use of these lands. In addition, to allow for the nominal lease payment and preferential property tax rates, a By-law must be passed to designate the property as a Municipal Capital Facility under Section 110 of the *Municipal Act*.

## BACKGROUND:

Norfolk County's Social Housing Unit released a Request for Proposal (RFP) document HSS-SH-17-02 requesting bids from qualified proponents to construct and operate affordable rental housing, with funding to be provided by the federal governments' Social Infrastructure Fund (2016 SIF). Norfolk County received five bids in response to this RFP with Capability Support Services Inc. being the successful respondent. In order for Capability Support Services to proceed, their use of the County owned lands must be secured through a long term lease agreement.

## ANALYSIS:

As directed by Council, a surplus parcel of land was created on the grounds of Grandview Lodge, known municipally as 663 Broad Street West, Dunnville, in order to permit the development of housing. The parcel created is legally described as Part of Lot 3, Indian Reserve, Plan 69 being Parts 1,2,3,4 on 18R-7504, Haldimand County, 663 Broad Street West, Dunnville. As part of the rezoning application process, neighbouring properties were mailed a Notice of Public Meeting, for Wednesday December 6, 2017. Six people attended this open house, held at Grandview Lodge, where proposed architectural drawings, floor plans and an artist's rendering of the finished one-storey development were on display. The rezoning application will be heard by Council on January 16, 2018 to rezone the lands to permit the development of seniors housing, allow a reduction in parking requirements and access the lands by way of a Right Of Way rather than fronting on a public street.

Haldimand County's solicitor has drafted the land lease in a manner similar to that of Maple Grove Place which had been prepared by the County's solicitor previously. The draft lease is included with this report as Attachment 1. The key provisions of this lease are as follows: long term (49 years); nominal sum of \$1 per year plus Capability is responsible for associated insurance, utilities, property taxes and maintenance.

Conditional on Council's approval of the rezoning of the subject lands, and given Norfolk County successfully securing funding from the Social Infrastructure Fund to assist with the costs of this project, it is staffs recommendation that the attached Land Lease agreement with Capability Support Services be approved to allow for the construction and operation of 14 units of affordable housing on Grandview Lodge lands in Dunnville.

## FINANCIAL/LEGAL IMPLICATIONS:

As per subsection 110 of the *Municipal Act*, in order to enter in to a lease agreement at an annual rate less than fair market value and to ensure that taxation for the County's purposes is set at an effective rate equivalent to the single-residential tax rate, the County must enact a by-law to designate this property as a Municipal Capital Facility.

Starting in 2017, the County has established a tax ratio of 1.0 for all new multi-residential developments which would ensure a tax rate equivalent to the single residential tax rate (regardless if the development is deemed residential or multi-residential). As such, the lease of this property to a third party, Capabiltiy Support Services, should not result in any additional costs to the County.

In order to enact a Municipal Housing Project Facilities By-law to meet the provisions noted above (included as Attachment 2), the County, through the Social Housing Service Manager, must first enter into a municipal housing facilities agreement with Capability Support Services Inc. As part of the funding agreement, Norfolk County as the Housing Service Manager has enacted the associated agreement.

## **STAKEHOLDER IMPACTS:**

Norfolk County, as the Service Manager for Housing for Haldimand County, released an RFP for housing proposals. The successful respondent has been authorized to utilize lands at Grandview Lodge. Support Services has reviewed the lease and report and has provided comment.

## **REPORT IMPACTS:**

Agreement: Yes

By-law: Yes

Budget Amendment: No

Policy: No

## **ATTACHMENTS:**

1. Land Lease agreement between Haldimand County and Capability Support Services Inc.
2. Draft Municipal Capital Facilities By-law