



TOWN OF  
**HALTON HILLS**  
*Working Together Working for You!*

## REPORT

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**TO:** Mayor Bonnette and Members of Council

**FROM:** Nicole Pal, Economic Development and Special Projects Coordinator

**DATE:** June 17, 2021

**REPORT NO.:** ADMIN-2021-0029

**SUBJECT:** 17 Guelph Street – Status Update and Next Steps

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### RECOMMENDATION:

THAT Report No. ADMIN-2021-0029, dated June 17, 2021, regarding a status update and next steps for the affordable housing proposal at 17 Guelph Street be received;

AND FURTHER THAT Council endorse a joint initiative between the Town of Halton Hills and Halton Region to facilitate the development of affordable housing at 17 Guelph Street;

AND FURTHER THAT Council authorize the advancement of an affordable housing development at 17 Guelph Street through the issuance of a joint public call between the Town of Halton Hills and Halton Region in order to solicit interested applicants to apply for the opportunity to develop, operate and maintain affordable housing at 17 Guelph Street;

AND FURTHER THAT the joint public call be in the form of a Request for Expression of Interest (REOI);

AND FURTHER THAT Council endorse the Term Sheet for 17 Guelph Street (appended as Appendix 1 to this report) to form the basis of a future land and development partnership framework with the successful applicant(s) identified through the REOI process, with the understanding that amendments to the Term Sheet may be required;

AND FURTHER THAT Council authorize Town staff to represent the Town and enter into negotiations with applicant(s) and Regional staff through the REOI process.

## **KEY POINTS:**

The following are key points for consideration with respect to this report:

- 17 Guelph Street is a Town-owned surplus site. Council direction has been to leverage the property for affordable housing. Report ADMIN-2020-0043, dated November 8, 2020, provided an overview of the 17 Guelph Street project and the Town's approach for facilitating redevelopment.
- Town-initiated pre-development work for the proposed 17 Guelph Street redevelopment is well underway, with preliminary technical studies completed, and the Official Plan and Zoning By-law amendment applications anticipated to be submitted in the near future.
- Pending Council approval, Town and Regional staff plan to issue a joint public call in the form of a Request for Expression of Interest (REOI) in the fourth quarter of 2021 to solicit applicants interested in designing, building, operating and maintaining 17 Guelph Street as affordable rental housing.
- The proposed land and development partnership framework between the Town and a future developer(s)/operator(s) for 17 Guelph Street is outlined in the Term Sheet (see Appendix 1).

## **BACKGROUND AND DISCUSSION:**

Affordable housing is one of Council's Strategic Plan priorities. A number of actions have already been taken to support this priority. This includes Council's direction in June 2019 to dispose of 17 Guelph Street, a Town-owned surplus property, for affordable housing. The proposed development at 17 Guelph Street is envisioned to be a 14-unit mixed-income and affordable rental apartment building.

In August 2020, Council directed Town staff to advance pre-development activities and to identify a preferred partnership opportunity for developing affordable housing at 17 Guelph Street.

In November 2020, report ADMIN-2020-0043 provided an overview of the 17 Guelph Street project and the Town's approach to facilitating its redevelopment.

To date, considerable progress has been made, including the following pre-development work and advancement of the proposed partnership approach for Council's approval:

### **1. Pre-Development Work**

The Town has initiated some of the pre-development work required to facilitate the construction of affordable housing at 17 Guelph Street. This has included pursuing the required Official Plan and Zoning By-law amendments, and working towards a Record of Site Condition. As part of the Town-initiated pre-development work, Town staff will also manage the eventual demolition of the existing structure.

The Town's Economic Development, Innovation and Culture division is leading the Official Plan and Zoning By-law amendment application submission process, seeking to permit the proposed development. Various studies and reports are required to constitute a complete application submission, including a site plan, legal survey, building elevations, Planning Justification Report, Urban Design Brief, Public Consultation Strategy, Functional Servicing Report, Environmental Site Assessments (ESAs), and Geotechnical Investigation. The aforementioned are nearing completion and the Official Plan and Zoning By-law Amendment applications are anticipated to be submitted in the near future.

A rendering of the proposed 17 Guelph Street development is illustrated in Figure 1. The anticipated maximum unit count for the development has decreased by two units from when Council was last updated on this project through report ADMIN-2020-0043. This change is due to site constraints, specifically the need to accommodate the required parking. A total of 21 parking spots are proposed on-site, with 9 parking spots located at the surface level (with access from Chapel Street), and 12 parking spots located in a parking garage with access from Guelph Street. Bicycle storage is also proposed.

**Figure 1: Rendering of 17 Guelph Street (from Chapel Street)**



Given the site's history and proposed residential land use, a Record of Site Condition is required. At minimum, obtaining a Record of Site Condition requires completing a Phase I and II ESA, where remediation and/or risk management is required if contamination is found on-site exceeding applicable standards. Results from the Phase II ESA for 17 Guelph Street found surficial soil contamination on the western portion of the property. The source of contamination is fill material that was placed on-site in the early 1900s. Prior to the Phase II ESA, the Town had no knowledge that fill material was placed on-site.

Site clean-up is a critical step in the pre-development process. The Town is striving to obtain a Record of Site Condition to facilitate site redevelopment by making the site as shovel-ready as possible. Based on currently available information, the anticipated approach to obtaining a Record of Site Condition is to combine the eventual excavation of the parking garage with soil remediation. This is anticipated to be the most efficient and cost-effective approach, and is included in the Term Sheet (Appendix 1).

Per the Term Sheet, once an applicant is selected via the REOI process, they will be responsible for all site-specific approvals from the Site Plan Control stage and beyond. This will include detailed design, financing, construction/development, operation and maintenance of the site as affordable rental housing in perpetuity. Amendments to the Term Sheet may be required as the REOI process advances, and as formal agreements are prepared and undergo legal review.

## **2. Next Steps**

Town and Regional staff have been collaborating to develop a joint public call to engage housing providers in the opportunity to develop, operate and maintain affordable housing at 17 Guelph Street. There are numerous benefits to collaborating with Halton Region, including the Region's expertise in the provision of housing, and the capital funding that the Region can provide to the successful applicant(s). The joint Town-Region call will be modeled on the Region's REOI process to develop government-assisted rental housing.

The REOI was first employed by Halton Region in 2020. It has been successful in advancing government-assisted housing opportunities. The 2020 REOI was primarily focused on:

- Enabling new rental unit development, with the understanding that government funding is required to sustainably operate (some or all) project units below the Average Market Rent, and
- Identifying applications with demonstrated potential to address government-assisted housing needs longer-term, in a way that is consistent with Regional key priorities.

The proposed Town-Region REOI for 17 Guelph Street employs the same process as the Region's REOI in 2020. The REOI process is depicted graphically in Appendix 2.

Subject to Council's approval of the recommendations of this report, Town and Region staff hope to issue the public call in late 2021. The Region will lead the REOI process given its experience in issuing REOIs, and recognizing the Region's lead role and expertise in the provision of housing. However, the Town will be an equal partner. Upon conclusion of the REOI process, Town staff will bring forward a recommendation report to Council on the proposed partnership that, if approved, would grant the successful applicant(s) the land and development rights to construct, operate and maintain 17 Guelph Street as affordable rental housing.

## **STRATEGIC PLAN ALIGNMENT:**

This report aligns to the Town's Strategic plan recognizing the value to foster a healthy community that provides a clean environment and range of economic and social opportunities to ensure a superior quality of life in our community.

This report also identifies shaping growth as one of the Town's Strategic priorities.

Affordable housing is a focus area in the Town's Strategic Plan that supports the Shaping Growth priority. The recommendations of this report contribute to ensuring that housing is accessible to all residents at any age or stage of life.

## **RELATIONSHIP TO CLIMATE CHANGE:**

This report impacts and/or helps address climate change and the Town's Net Zero target through climate mitigation.

One of the considerations in the design, construction and operation of the 17 Guelph Street project will be energy efficiency and the implementation of the Town's Green Development Standards which will contribute to the Town's Net Zero target.

## **PUBLIC ENGAGEMENT:**

Public Engagement has been conducted to inform and engage the community about the 17 Guelph Street project. This included an Affordable Housing Open House which provided an overview of the 17 Guelph Street project and was followed by discussion questions to gather feedback. A Let's Talk Halton Hills project webpage for affordable housing was launched in November 2020, which included an engagement tool soliciting residents' vision of 17 Guelph Street.

## **INTERNAL CONSULTATION:**

Town staff from Finance, Purchasing, Recreation and Parks, Corporate Communications, and Planning and Development have been consulted in the preparation of this report. Additional Town staff were consulted on the Term Sheet and the REOI process, including Climate Change staff. Halton Region staff have also been consulted.

## **FINANCIAL IMPLICATIONS:**

This report has the potential to require funding in a future budget year and therefore needs to be referred to budget committee for tracking purposes.

The potential future budget impact is regarding the unanticipated contamination found on-site and the potential additional cost associated with obtaining a Record of Site Condition. Any additional funding requirements will be identified as the work proceeds and will be included in the annual budget process for consideration by budget committee.

Reviewed and approved by,

A handwritten signature in dark ink, reading "Damian Szybalski". The signature is written in a cursive style with a large, looped 'D' and a trailing flourish.

Damian Szybalski, Director of Economic Development, Innovation & Culture

A handwritten signature in dark ink, reading "C. Mills". The signature is written in a cursive style with a large, looped 'C' and a trailing flourish.

Chris Mills, Acting Chief Administrative Officer