

DATE OF MEETING OCTOBER 15, 2018

AUTHORED BY NANCY SKEELS, PROPERTY AGENT, REAL ESTATE

SUBJECT PROPERTY DISPOSITION – 897 ALBERT STREET, 474 PINE STREET AND 478 PINE STREET

OVERVIEW

Purpose of Report

To obtain Council approval for the disposition of City-owned land at 897 Albert Street, 474 and 478 Pine Street and adjacent road closure area to Habitat for Humanity Mid-Vancouver Island Society.

Recommendation

That Council:

1. approve the disposition of City-owned land at 897 Albert Street, 474 and 478 Pine Street and adjacent road closure area to Habitat for Humanity Mid-Vancouver Island Society for \$1.00; and
2. direct the Mayor and Corporate Officer to execute the necessary documents to effect the transaction.

BACKGROUND

The City owns lands located at 897 Albert Street, 474 and 478 Pine Street (the “Property”, Attachment A). The Property is a 2,696 m² vacant parcel of land with R15 zoning located within the Old City Neighbourhood.

At the 2018-MAR-19 “In Camera” Council meeting, Council provided ‘Approval in Principle’ to dispose of the Property to Habitat for Humanity Mid-Vancouver Island Society (“HFH”) for a multi-family affordable homeownership housing project. Council approval was subject to Council receiving detailed information relating to the request from HFH for the City to cover 50 percent of the development cost charges (“DCCs”) and cost information for the works and services and other associated costs.

At the 2018-JUN-18 Council meeting, Council received the detailed cost information and provided further ‘Approval in Principle’ for the disposition of the Property subject to HFH hosting an open house and the publication of a notice of property disposition.

HFH advertised the open house event in the Nanaimo News Bulletin on 2018-SEP-04 and 2018-SEP-06 as well as on the HFH website and HFH Facebook page. The open house was held at the Harewood Activity Center on 2018-SEP-11. Eighteen members of the public signed the sign-in sheet, although more people attended but did not sign in. Feedback slips were provided and 17 slips were received. Attachment B contains a full version of the comments received.

Open house comments mentioned the issue of the cat stream and ensuring that watercourse setbacks would be adhered to if the development were to go ahead. A number of comments also reflected concern for potential flooding issues for neighbouring properties and environmental impact. Many comments were supportive of HFH and the idea of having the current unused land developed into an affordable housing project.

HFH had an environmental and geotechnical report prepared. No variance to the 15m watercourse setback is being requested by HFH and therefore no aquatic development permit will be triggered as part of the development. The geotechnical report included a recommendation that further investigation be completed once the design concepts have been developed. The report also identified a flood construction elevation of 1.5m above the creek and stated that this will likely need to be achieved through the placement of structural fill. Subsurface investigation with boreholes will be required to fully understand the soils, groundwater, and associated works to ensure the site is developed with appropriate storm water management features and is safe and suitable for the intended use.

The Notice of Disposition was published on 2018-OCT-04 and 2018-OCT-11 in accordance with the requirements of Section 26 of the *Community Charter*.

If Council decides to provide approval to dispose of the Property, HFH will start the design concepts and will conduct further geotechnical and environmental investigations that may be required.

In addition, HFH will provide the City with an Option to Purchase. This will enable the City to repurchase the Property for \$1.00 should HFH not meet its obligations. The trigger for the repurchase is the requirement for HFH to obtain a building permit for their project within 36 months of closing. The City will also covenant the Property to ensure it will be used for HFH purposes only and cannot be resold to a private developer after the transfer.

Staff have reviewed the application against all City standards and have ascertained the Property to be surplus to City requirements.

OPTIONS

A. That:

1. That Council approve the disposition of City-owned land at 897 Albert Street, 474 and 478 Pine Street and adjacent road closure area to Habitat for Humanity Mid-Vancouver Island Society for \$1.00; and
2. direct the Mayor and Corporate Officer to execute the necessary documents to effect the transaction.
 - **Budget Implication:** The Property has an assessed value of \$401,000. A 50 percent reduction in the DCCs will result in a cost of \$67,000 to the City. Total direct costs asked by HFH to be paid by the City are estimated as follows: \$67,000 in DCCs, surveying \$6,000, legal \$5,000, and newspaper notices \$800 for a total of \$78,800. The City's costs will be paid out of the City's Housing Legacy Reserve fund. HFH will be responsible for the required works and services estimated at \$120,000 and half of the DCCs costs (\$67,000) for an estimated total amount of \$187,000. HFH will also be responsible for all other associated costs to develop the Property.

- **Legal Implication:** The City solicitor will prepare the Offer to Purchase, Option to Purchase, and Covenant and will undertake the conveyance. Staff have published a Notice of Disposition as required by Section 26 of the *Community Charter*.
 - **Policy Implication:** The project is consistent with the Official Community Plan Objective 3.10, “Encourage the development of affordable housing through public/private partnerships” and the City’s Affordable Housing Strategy.
 - **Engagement Implication:** Engagement with the local neighbourhood was conducted by HFH on 2018-SEP-11 through an open house at the Harewood Activity Center.
 - **Strategic Priorities Implication:** Affordable Housing is one of Council’s key initiatives identified in the 2016-2019 Strategic Plan.
 - **Political Implication:** Council collaborating with HFH furthers the community value of social equity and responds to the Council priority initiative of Affordable Housing.
- B. That Council not approve the property disposition of City-owned land at 897 Albert Street, 474 and 478 Pine Street and adjacent road closure area to Habitat for Humanity Mid-Vancouver Island Society for \$1.00.
- **Strategic Priorities Implication:** Not providing approval to the Property disposition would be inconsistent with Council’s strategic priorities and Council’s previous decisions.
 - **Engagement Implication:** Council may wish to not pursue the Property disposition. The land will remain undeveloped and owned by the City. Staff will convey this message to HFH.

SUMMARY POINTS

- City owns lands located at 897 Albert Street, 474 and 478 Pine Street (the “Property”). The Property is a 2,696 m² vacant parcel of land with R15 zoning located within the Old City Neighbourhood.
- At the 2018-MAR-19 “In Camera” Council meeting, Council provided ‘Approval in Principle’ to dispose of the Property to Habitat for Humanity Mid-Vancouver Island Society (“HFH”) for a multi-family affordable homeownership housing project. Approval was subject to receiving detailed information relating to the City covering 50 percent of the development cost charges, and cost information for the works and services and other associated costs.
- At the 2018-JUN-18 Council meeting, Council received the detailed cost information and provided further ‘Approval in Principle’ for the Property disposition subject to HFH hosting an open house and publication of the notice of the property disposition. The open house was held on 2018-SEP-11 and the notice has been published.
- If Council decides to provide approval to dispose of the property to HFH, HFH will start the design concepts and will conduct further geotechnical and environmental investigations that may be required.
- In addition, HFH will provide the City with an Option to Purchase. This will enable the City to repurchase the Property for \$1.00 should HFH not meet its obligations.

- Staff have reviewed the application against all City standards and have ascertained the Property to be surplus to City requirements.

ATTACHMENTS

ATTACHMENT A: Location Plan
ATTACHMENT B: Comments received at open house

Submitted by:

Bill Corsan
Deputy Director, Community Development

Concurrence by:

Dale Lindsay
Director, Community Development