

DATE OF MEETING JUNE 18, 2018

AUTHORED BY NANCY SKEELS, PROPERTY AGENT, REAL ESTATE

**SUBJECT PROPOSED PROPERTY DISPOSITION OF 897 ALBERT STREET,  
474 AND 478 PINE STREET TO HABITAT FOR HUMANITY MID-  
VANCOUVER ISLAND SOCIETY**

## **OVERVIEW**

### **Purpose of Report**

To obtain Council 'Approval in Principle' for the disposition of City-owned land at 897 Albert Street, 474 and 478 Pine Street to Habitat for Humanity Mid-Vancouver Island Society.

### **Recommendation**

That Council:

1. provide 'Approval in Principle' to dispose of City-owned land at 897 Albert Street, 474 and 478 Pine Street to Habitat for Humanity Mid-Vancouver Island Society for \$1.00 subject to Habitat for Humanity hosting an open house to present their development project to the public;
2. direct Staff to proceed with public notice of the property disposition; and,
3. direct Staff to return to a Council meeting after the open house has been held and the notice has been published for Council's formal approval of the property disposition.

## **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 m<sup>2</sup> 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. HFH submitted a concept for approximately 12 units in a townhouse format. 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-APR-23 "In Camera" meeting, Council received the detailed cost information as follows:

Costs to the City	
*DCCs	\$67,000
Surveying	\$6,000
Legal	\$5,000
Newspaper Notices	\$800
<b>Direct Cost Total:</b>	<b>\$78,800</b>
<i>Indirect Costs:</i>	
Property Assessed Value	\$401,000
<b>TOTAL COSTS</b>	<b>\$479,800</b>

Costs to HFH	
*DCCs	\$67,000
Works and Services	\$120,000
<b>TOTAL COSTS:</b>	<b>\$187,000</b>

\*Approximate value – final number will be based on detailed design.

HFH will also be responsible for their own legal costs, professional report costs, consultation fees, permit and application costs, drawings, applicable taxes, and all other associated costs. HFH will arrange and pay for the costs to conduct their due diligence to ensure their development project will be constructed on the Property in accordance with City standards. HFH will host an open house in July to provide the public with information on their project.

In addition, HFH has offered to 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 after closing. The City will also covenant the Property to ensure that it will be used for HFH purposes only and cannot be resold to a private developer after the transfer. If formal approval from Council is received, it is anticipated the Property will transfer in October, 2018.

### **Laneway Dedication and Laneway Road Closure**

A laneway along 478 Albert Street will need to be dedicated as road as part of the Property development. A portion of the laneway will be constructed to create a driveway access and for the installation of the works and services. The laneway could be connected to the rear lane at a later date if required. The laneway along the northeast boundary of the Property will need to be closed through the road closure bylaw process and consolidated with the Property to assist the Property development. A separate road closure report is being presented on tonight's agenda for Council's consideration.

### **OPTIONS:**

A. That:

1. Council provide 'Approval in Principle' to dispose of City-owned land at 897 Albert Street, 474 and 478 Pine Street to Habitat for Humanity Mid-Vancouver Island Society

for \$1.00 subject to Habitat for Humanity hosting an open house to present their development project to the public;

2. Council direct Staff to proceed with public notice of the property disposition; and,
3. Direct Staff to return to a Council meeting after the open house has been held and the notice has been published for Council's formal approval of the property disposition.

- **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 at \$78,800. The City's costs will be paid out of the City of Nanaimo's Housing Legacy Reserve fund. HFH will be responsible for the required works and services and half of the DCCs costs for an estimated amount of \$187,000. HFH will also be responsible for all other associated costs.
- **Legal Implication:** A Notice of Disposition will be published in the local newspaper in accordance with the *Community Charter*.
- **Policy Implication:** Consistent with the Official Community Plan Objective 3.10, "Encourage the development of affordable housing through public/private partnerships".
- **Engagement Implication:** Engagement with the local community adjacent to the site will be a necessary component of the proposed development. Staff will work with HFH to convey information about the project to the community through an open house.
- **Strategic Priorities Implication:** Affordable Housing is one of Council's key initiatives.
- **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 in Principle' the property disposition of City-owned land at 897 Albert Street, 474 and 478 Pine Street 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**

- The City owns lands located at 897 Albert Street, 474 and 478 Pine Street (the "Property"). The Property is a 2,696 m<sup>2</sup> 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. HFH submitted a concept for approximately 12 units in a townhouse format. Council approval was subject to 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.

- 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 at \$78,800. The City’s costs will be paid out of the City of Nanaimo’s Housing Legacy Reserve fund.
- HFH will be responsible for the required works and services and half of the DCCs costs for an estimated amount of \$187,000. They will also be responsible for all other associated costs. HFH will need to conduct their due diligence to ensure the project will be constructed on the Property in accordance with City standards.
- HFH has offered to 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.
- HFH will host an open house in July to provide the public with information on their project.
- Staff will return to a Council meeting after the open house has been held and the notice has been published for Council’s formal approval of the property disposition.

## **ATTACHMENTS**

ATTACHMENT A: Location Plan |

### **Submitted by:**

Bill Corsan  
Deputy Director, Community Development |

### **Concurrence by:**

Dale Lindsay  
Director, Community Development |