

THE REGIONAL MUNICIPALITY OF YORK

**REPORT NO. 5
OF THE REGIONAL COMMISSIONER OF COMMUNITY SERVICES
AND HOUSING**

**For Consideration by
The Council of The Regional Municipality of York
on October 27, 2005**

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STICKWOOD-WALKER FARM—TOWN OF NEWMARKET
AFFORDABLE RENTAL HOUSING OPPORTUNITY**

1. RECOMMENDATIONS

It is recommended that:

1. An architect be retained, as per the Region's purchasing by-law, to develop conceptual drawings and prepare an outline specification to establish a detailed capital cost estimate for the project.
2. The Commissioner of Community Services and Housing be authorized to utilize funds from the Social Housing Reserve to cash flow the development of this project to a maximum of \$450,000 until such time as a financing mechanism is selected and approved by Council.
3. The necessary applications be made to the federal and provincial levels of government to secure the maximum amounts of capital funding and any other potential funding sources that may be identified, and that the Commissioner of Community Services and Housing be authorized to sign all related applications and documents.

2. PURPOSE

This report seeks approval to develop and build an affordable rental housing project on a site to be transferred to Housing York Inc. (HYI) from the Town of Newmarket in the Stickwood-Walker Farm development plan. This report also seeks approval to retain the professional services of an architectural firm to develop conceptual drawings and specifications in order to establish a detailed capital cost estimate for the housing project.

Authority is also requested to make the necessary applications to the senior levels of governments to secure the maximum amounts of capital funding.

3. BACKGROUND

On June 19, 2002, HYI authorized the purchase of a parcel of land on Sandford Street, owned by the Town of Newmarket and declared surplus for the appraised value of \$298,000. HYI purchased the Sandford Street property on June 9, 2003.

On August 11, 2003, Newmarket Council requested reconveyance of the site and on September 10, 2003, HYI authorized the reconveyance of the Sandford Street property to the Town of Newmarket subject to an option agreement setting out terms for the conveying of an alternative site. The option agreement expires on November 1, 2005.

The 90 acre property known as the Stickwood-Walker Farm located on the south side of Mulock Drive just west of Leslie Street was purchased March 27, 2003 by the Town of Newmarket. After an extensive series of public consultation meetings, the Town of Newmarket Council on March 10, 2004, voted in favour of a land use plan that includes a site of approximately 1.65 acres (0.668 ha.) for a multi-residential, low rise building containing a maximum of 50 units.

Community Services and Housing Department staff attended a number of public meetings to present an overview of HYI operations and its housing portfolio. Several community agencies made presentations including The Canadian Hearing Society-Simcoe/York Region (CHS). It is proposed that CHS work with the Region on this project to modify a designated number of units for persons with hearing impairments.

On March 10, 2004, the Town of Newmarket Council adopted a development plan option for the Stickwood-Walker Farm site that included an apartment site for HYI (*see Attachment 1*). The site is now zoned for the intended use and presents a unique development opportunity to construct up to 50 units of affordable rental housing in a new mixed-use development in the Town of Newmarket.

The municipal approval process is complete and the construction phase is underway including grading and servicing of the site and installation of utilities. It is proposed that the construction of the apartment building could start as early as summer 2006. Region

and Town staff have met on a number of occasions to develop the project concept and arrange the land transfer on or before November 1, 2005.

4. ANALYSIS AND OPTIONS

4.1 Description of Proposed Development and Project

The proposed project will consist of a three storey apartment building with 50 units comprised of 40-one bedroom and 10-two bedroom units. The gross floor area of the building will be approximately 45,000–50,000 square feet. In support of the Region's mandate under the *Accessibility for Ontarians with Disabilities Act, 2005*, three units will be modified for persons with disabilities, plus five to seven units for persons with hearing impairments. The building will be designed to accommodate a mix of tenants including singles, families and seniors, and offer enhanced accessibility features.

Program details of the recently announced Federal/Provincial Affordable Housing Program (AHP) have not been released. As details are made available a report will be prepared for Council and the HYI Board proposing a rent-geared-to-income/market rent target plan.

York Region, acting as the Project Manager, will tender for a project architect and general contractor, and oversee the construction process. Once the project architect is selected, the preliminary design will be undertaken and used as a basis for further costing. A preliminary performance and financing strategy will be developed for consideration by Regional Council and the Board of Directors of the housing corporation.

4.2 Sources of Funding

4.2.1 Federal/Provincial Government

This project is expected to be eligible for funding under the recently announced Affordable Housing Program. There is an expectation that the Federal/Provincial funding under this new program will be significantly enhanced compared to the previous program. The provincial and federal governments announced this program on August 31, 2005 but without a lot of detail. The program may offer a "fast-track" funding initiative that may allow this housing project to proceed in 2006 because the site is already zoned for the intended use.

4.2.2 York Region

The Region has planned for a capital contribution to this project in the 2006 Capital Plan for Housing. The amount will be confirmed upon completion and approval of the project-financing plan.

4.3 Next Steps

- 1) Complete the negotiations with The Town of Newmarket in order to transfer the title of this site as detailed in the option agreement dated November 1, 2003.
- 2) Hire an architect as per York Region purchasing by-law.
- 3) Work with the architect to further develop the concept drawings, prepare elevations and outline specifications for the purpose of establishing a capital cost estimate for the project and report back to Council.
- 4) Continue to explore potential funding sources.
- 5) Work with the Finance Department and Regional Treasurer to develop financing options.
- 6) Report back to Committee and Council and the HYI Board on the above matters

5. FINANCIAL IMPLICATIONS

It is recommended that interim costs of up to \$450,000 for the development of this project be funded from the Social Housing Reserve until such time as a permanent financing mechanism is selected and approved by Council.

Based on preliminary capital costs estimates and potential federal/provincial contributions, the capital contribution from the Region would be in the range of \$4–5 million. There is currently \$51 million in the Social Housing Reserve Fund.

The investigation and research outlined above must be completed to determine the financial impact of the proposed affordable housing project on the Stickwood-Walker Farm site. A report will be provided to Council as to the financial implications as the project plans are developed.

6. LOCAL MUNICIPAL IMPACT

The creation of up to 50 affordable rental housing units in the Town of Newmarket will assist in alleviating pressure for assisted housing in York Region and will allow households on our waiting list to be housed in rent-geared-to-income accommodation.

7. CONCLUSION

The Region, through the adoption of its Housing Supply Strategy, has committed to the creation of new affordable rental housing. This strategy also sets a direct delivery target

for Housing York Inc. The development of the Stickwood-Walker Farm affordable housing project provides an excellent opportunity for the Region to deliver on the target while partnering with the municipal sector and accessing funding from senior levels of government to reduce the overall cost to the Region.

The Senior Management Group has reviewed this report.

(A copy of the attachment was circulated with the October 19, 2005 Committee Agenda)

Respectfully submitted,

**October 27, 2005
Newmarket, Ontario**

**J. Simmons
Commissioner of Community Services
and Housing**

(Report No. 5 of the Commissioner of Community Services and Housing was adopted, without amendment, by Regional Council at its meeting held on October 27, 2005.)