
Pleasant Hill Village Status Update – Alternative Development Options

Recommendation

1. That the Administration be authorized to proceed with discussions of alternative development models for Parcels A, C, and F within Pleasant Hill Village, as outlined in this report, and
2. That the Administration report back to the Standing Policy Committee on Finance with options for proceeding with the sale of Parcels A, C, and F within Pleasant Hill Village.

Topic and Purpose

The purpose of this report is to provide a status update of the recent open market (with criteria) sales approach for Parcels A, C, and F within Pleasant Hill Village and to discuss options for alternative development and financing models.

Report Highlights

1. The open market (with criteria) sales approach for Parcels A, C, and F closed on November 21, 2017, and no development proposals were received through this process.
2. Housing providers are interested in Parcels A, C, and F should the City of Saskatoon (City) consider alternative development and financing options.
3. Alternative development models could qualify for funding under Policy No. C09-002, Innovative Housing Incentives (Innovative Housing Incentives Policy).
4. Funding may be available from other levels of government through the federal government's 2017 National Housing Strategy.

Strategic Goal

This report supports the City's Strategic Goal of Quality of Life by directing investment into an established neighbourhood to enhance property values and encourage private investment.

Background

At its July 16, 2007 meeting, City Council adopted the original Concept Plan for the Pleasant Hill Village Project (Project). The Project is intended to attract families with affordable home ownership opportunities into a community with a new school and wellness centre, daycare, and new seniors' residence, while being surrounded by new and attractive park space (see Attachment 1).

Parcels B and D were disbursed through a Request for Proposals (RFP) process and resulted in the creation of 36 new ground-oriented units. Parcel E was disbursed

through a direct sale to Saskatchewan Knights of Columbus Charitable Foundation Inc. for the construction of a 75-unit seniors' rental apartment building.

At its September 29, 2014 meeting, City Council approved changes to the Enhanced Concept Plan to match the land use and zoning designations for Parcels A and C with the types of developments envisioned by the original Concept Plan and allow for the disbursement of these remaining sites with appropriate zoning in place.

An RFP to develop remaining Parcels A, C, and F closed on March 12, 2015. One proposal was received, which scored well through the evaluation process. However, in January 2016, the proponent withdrew their proposal, citing uncertain housing market conditions. Because no other proposals were received, the RFP was concluded.

At its April 25, 2016 meeting, City Council approved amendments to Policy No. C09-033, Sale of Serviced City-Owned Lands (Sale of Serviced City-Owned Lands Policy), to allow for new, more flexible land sales approaches.

At its May 30, 2016 meeting, the Standing Policy Committee on Planning, Development and Community Services received an information report outlining an update and next steps for the Project, including the recommendation to proceed with an open market (with criteria) land sales approach for Parcels A, C, and F, and unbundling the parcels to sell individually. An update on site preparation and allocation of remaining funds to complete the Project was also provided.

At its March 6, 2017 meeting, the Standing Policy Committee on Finance (Committee) received a report requesting authorization to sell Parcels A, C, and F individually in Pleasant Hill Village through an open market (with criteria) land sales approach.

Report

Open Market (with Criteria) Land Sales Approach did not Receive Submissions

The Administration, in partnership with the Pleasant Hill Community Review Committee, drafted criteria and weighting that formed the basis for the open market (with criteria) land sales package for Parcels A, C, and F. The sales package was released on September 9, 2017, and closed on November 21, 2017. The City did not receive any formal development proposals for Parcels A, C, or F during the open market sales process.

Housing Providers have Proposed Alternative Development Models

As the sale of Parcels A, C, or F in Pleasant Hill Village have not been achievable through the RFP or open market (with criteria) sales processes, alternative approaches could be appropriate for the Pleasant Hill Village sites. The priority for these sites is to meet the objective of providing a home ownership option for low-income renters who currently reside in the neighbourhoods surrounding Pleasant Hill Village. Turning renters into homeowners is a key goal of the Project. Raising the number of homeowners in Pleasant Hill Village is not only a pathway to neighbourhood revitalization, it is also a way of equipping households to be financially secure.

Three requests have been received, outside of the open market (with criteria) land sales approach, by housing providers such as Quint Development Corporation, Habitat for Humanity Saskatoon, and the Central Urban Metis Federation Inc. (CUMFI) to discuss alternative options for development and financing models for the Pleasant Hill Village Parcels. Letters of interest from these housing providers have been received and are included in this report (see Attachment 2).

Community land trusts, shared equity, and cooperative housing are alternative ownership models proposed by Quint Development Corporation that are more affordable than traditional home ownership because home buyers only purchase partial ownership of their unit. For more information on these models, see Attachment 3.

Habitat for Humanity Saskatoon's alternative home ownership model builds affordable homes with volunteer labour. All homeowners must contribute a significant amount of volunteer labour (sweat equity) before buying their home. The homes are sold with an interest-free mortgage and low-income home buyers make mortgage payments based on a percentage of their income.

CUMFI's proposal includes an Elders Lodge (rental), affordable family rental units, and affordable ownership units. CUMFI will provide a variety of supports to enable families to transition from being renters to homeowners.

These three housing providers are all registered non-profit corporations and, as such, meet the requirements for purchasing land for affordable housing through a direct sale process under the terms of the Sale of Serviced City-Owned Lands Policy. If discussions with the housing providers result in an acceptable proposal to build affordable housing, the Administration will recommend a direct sale (or sales) to the Committee in a subsequent report.

Financial Impact of Alternative Development Models

The alternative development models being proposed will all require an outside capital investment in addition to the resources of the proponent and residents. Part of this investment could come from a capital grant of up to 10%, received under the City's Innovative Housing Incentives Policy, provided the units are targeted at low-income households. The City's contribution would need to be phased due to the potential size of a project that includes all three parcels.

Potential Funding Options from Other Levels of Government

The Government of Canada released the National Housing Strategy in November 2017. Alternative development models may qualify for funding from the National Housing Strategy's Co-Investment Fund, which is scheduled to start taking applications on April 1, 2018. The Co-Investment Fund will require a municipal contribution, which may be an in-kind or cash contribution.

Options to the Recommendation

The Committee could choose to not proceed with discussions of alternative development models for Parcels A, C, and F in Pleasant Hill Village. If the Administration is not to proceed with this approach, further direction from City Council would be required.

Public and/or Stakeholder Involvement

The Administration has engaged in discussion with the Pleasant Hill Community Review Committee and stakeholders to provide an update on the status of the open market (with criteria) sales process, and will continue to invite them to provide input on various aspects of development in Pleasant Hill Village for Parcels A, C, and F. The Administration will prepare a communication plan leading to project completion.

Financial Implications

At this time, there are no financial implications. If alternative development models are found suitable for Parcels A, C, and F by the Administration, the financial impact of those models will be considered and assessed at that time.

Other Considerations/Implications

There are no policy, environmental, privacy, or CPTED implications or considerations; a communication plan is not required at this time.

Due Date for Follow-up and/or Project Completion

The Administration will report back to the Committee on options for proceeding with suitable proposal(s) and financing options for Parcels A, C, and F.

Public Notice

Public notice, pursuant to Section 3 of Policy No. C01-021, Public Notice, is not required.

Attachments

1. Pleasant Hill Village Concept Map
2. Letters of Intent (Quint Development Corporation, Habitat for Humanity Saskatoon, and CUMFI)
3. Alternative Development and Financing Models

Report Approval

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