

**COUNCIL MEETING**  
**PLANNING AND DEVELOPMENT SERVICES**

**REPORT PB-2024-09**  
**April 9, 2024**

**SUBJECT:            PROPOSED AFFORDABLE RENTAL HOUSING PROJECT  
                         – 662 DEERE STREET, WELLAND**

**AUTHOR:            NICOLAS AIELLO, HBA, MCIP, RPP  
                         PLANNING SUPERVISOR - PLANNING**

**APPROVING  
MANAGER:        MICHAEL GREENLEE, MCIP, RPP  
                         MANAGER OF PLANNING**

**APPROVING  
DIRECTOR:        GRANT MUNDAY, B.A.A., MCIP, RPP  
                         DIRECTOR DEVELOPMENT AND BUILDING SERVICES**

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**RECOMMENDATION:**

THAT COUNCIL OF THE CITY OF WELLAND endorse The Hope Centre: Community Resources In Advocacy's (the Hope Centre) proposal to provide three Affordable Rental Housing Units at the municipally owned property known as 662 Deere Street; and further

THAT Welland City Council approve entering into a long-term land lease agreement with the Hope Centre for the property municipally known as 662 Deere Street; and further

THAT Welland City Council approve funding to the Hope Centre in the amount of \$10,000.00 from the Affordable Housing Reserve Fund to support the proposed project; and further

THAT Welland City Council directs Staff to provide municipal services to 662 Deere Street's lot line; and further

THAT Welland City Council directs staff to prepare all the necessary documentation and by-laws relative to the funding and lease; and further

THAT the Mayor and City Clerk be authorized to execute all the necessary documents relative to the funding and lease

## **RELATIONSHIP TO STRATEGIC PLAN**

This recommendation is aligned to Council's strategic priority of ensuring "**Liveability**" by creating a sense of belonging while enhancing mobility by improving access to recreation and community events, ensuring adequate housing options, encouraging job growth, and improving ways to efficiently move people throughout the city. The City's Housing Needs Assessment & Environmental Scan and Affordable Rental Housing CIP have identified that there is a significant need for purpose built rental housing that is provided at an affordable rate. Should Council approve the recommendations of this report, the City will be supporting the need for this housing type by providing serviced land and funding the development and support programs. This initiative would be the first of its kind for the City of Welland.

## **BACKGROUND:**

On Thursday, March 7, 2024, the Affordable Housing Advisory Committee received a presentation from The Hope Centre: Community Resources In Advocacy (the Hope Centre) with regards to the proposed development of three affordable rental housing units on the subject municipally owned surplus property known as 662 Deere Street (Appendix I). The Committee passed the following motions for Council to consider regarding entering into a long-term land lease agreement with the Hope Centre:

THAT THE AFFORDABLE HOUSING ADVISORY COMMITTEE endorse the Hope Centre's proposal for providing Affordable Housing at 662 Deere Street; and further

THAT COUNCIL OF THE CITY OF WELLAND supports the Hope Centre's Proposal for entering into a long-term lease and constructing of 3 Affordable Rental Housing Units at the City owned property municipally known as 662 Deere Street; and further

THAT Staff provide a report to Council regarding this matter.

This report is being provided to Council in conjunction with the Committee's motion and the Hope Centre's Presentation.

## **DISCUSSION:**

### **Proposal**

The Hope Centre is seeking to construct, hold and operate three deeply affordable housing units at 662 Deere Street (193.83 Sq.m). The residential building will be two storeys with one unit on each floor and a unit in the basement. Each unit will comprise of two bedrooms, living area with kitchenette, and bathroom. Each unit will be 49.3 square meters. A draft sketch of the proposed development can be reviewed in Appendix II.

The proposed rent for each unit (subject to approved funding) will be \$700.00 (\$350.00 per tenant) per month which equates to approximately 54% of the CMHC's Average Market Rent for Welland. The total cost of the project is estimated to be \$620,000.00

The units will house a total of 6 residents who will be participating in a supportive transitional housing program. This is a time limited program (no more than 4 years per client) that is geared towards moving clients from homelessness to sustained housing.

### Contributions

Should Council approve this report, the Hope Centre will be using \$57,500 of its existing funds towards the project and also be applying for several incentive programs such as a forgivable loan, repayable loan, and seed funding grants/loans through the CMHC Affordable investment Fund.

In addition, the below Table 1 outlines the contributions requested by the Hope Centre from the City.

Table 1

	Incentive/Request	Amount	Approval Authority
<b>Affordable Rental Housing CIP*</b>	Affordable Housing Study Grant	\$7,500.00	<i>Staff</i>
	Forgivable Loan	\$35,000.00	<i>Staff</i>
	Extended Benefit Grant	\$61,000.00 (approx.) dispersed over a period of 5 years.	<i>Staff</i>
	Planning And Building Fees Grant	100% of all P&B Permit Fees (Approx \$3,300)	<i>Staff</i>
	Affordable Housing Reserve Fund (AHRF)	\$10,000.00 (\$3,333.00 per unit)	<i>Council</i>
	Special Lands Program	Long-term lease of 662 Deere Street	<i>Council</i>
<b>Other</b>	Extension of City services to lot line	In-kind - \$15,000.00 (approx. vlaue)	<i>Council</i>

\* For more information regarding the Affordable Rental Housing CIP Incentives – Please refer to the following web link: <https://madeinwelland.ca/Incentives/CIPs.asp>

### Long-Term Land Lease

The long-term land lease is proposed to be offered through the City's Special Lands Program developed as part of the Affordable Rental Housing CIP. A land lease allows the City to have assurance that the property remains used for Affordable Housing.

The lease is proposed to be provided at no or nominal cost and have a minimum duration of 20 years followed by two 10-year renewal options. Staff are in support

of entering into land lease agreement with Hope Centre subject to review by Staff and the City Solicitor.

### **FINANCIAL:**

The financial implications associated with the recommendations of this report are outlined Table 2 below:

Table 2

<b>Program</b>	<b>Amount</b>	<b>Account</b>
Affordable Rental Housing CIP Incentives (Staff Delegated Authority)	Approx. \$106,800.00 \$45,800 (first year) \$61,000 (dispersed over 5 years)	Incentive Program Expense Account (included in the 2024 Budget)
Affordable Rental Housing CIP Incentives (Council Approval)	Approx. \$10,000.00	Affordable Housing Reserve Fund
Other (Servicing to property line)	\$15,000.00 - \$20,000.00 (Approx. value)	

### **CONCLUSION:**

On Thursday, March 7, 2024, the Affordable Housing Advisory Committee passed a motion regarding this property. Specifically, it requests that Council support the Hope Centre's proposal to enter into a land lease agreement with the City to provide three Affordable Rental Housing Units at the municipally owned property of 662 Deere Street. As part of their proposal, several contributions from the City are also requested to support the project. City staff are in support of the project and are proposing to work with the City Solicitor to develop a long-term lease agreement. If approved, the City will become a direct partner in the provision of Affordable Rental Housing.

### **ATTACHMENT:**

Appendix I - 662 Deere Street – Key Map  
Appendix II - 662 Deere Street – Site Sketch