

**Region of Waterloo**  
**Planning, Development, and Legislative Services**  
**Commissioner's Office**

---

**To:** Community and Health Services Committee  
**Meeting Date:** March 5, 2024  
**Report Title:** Accelerating Affordable Housing on Municipal and Partner Lands

---

**1. Recommendation**

For information.

**2. Purpose / Issue:**

To outline the various initiatives in development to accelerate the development of attainable and affordable housing on municipally-owned and partner lands.

**3. Strategic Plan:**

The initiatives in this report align with the Region's Homes for All strategic priority. Specifically, moving quickly to create affordable, accessible, and equitable housing.

**4. Report Highlights:**

- This report supports the two the additional Homes for All reports CSD-HOU-24-003 Affordable Housing Policy and Program Incentives and CSD-HOU-24-004 Property Tax Exemption for Affordable Housing.
- In December 2023, Regional Council directed staff to develop a joint action plan focusing on the acceleration of attainable and affordable housing on publicly owned land.
- Staff are currently looking at development options to maximize existing regional-owned lands to include housing in a mixed-use development with current and future regional services. To expand the number of potential development partners in affordable and attainable housing, staff are developing options to streamline the Request for Proposal process to promote more affordable housing, the integration of attainable housing where feasible, and clauses to ensure lands stay affordable after the initial term of affordability has ended.
- To further build the portfolio of regional lands for affordable housing, staff are pursuing strategic acquisition opportunities for Council consideration across the

region that can contribute larger blocks of affordable units to the overall housing stock.

- Not-for-profit organizations such as churches continue to reach out to the Region for development analysis assistance to convert their lands for affordable housing and related community services. Staff are developing an outreach plan to organizations across the Waterloo region in the second half of 2024 to explore affordable and attainable housing development opportunities. These services are supported by the additional land development staff Regional Council approved.
- The Region and area municipal Chief Administrative Officers (CAOs) have established a staff advisory committee to coordinate affordable housing opportunities on municipal lands, further streamline development processes for affordable housing, and collectively respond to proposals and land requests from community stakeholders including Build Now.

## **5. Background:**

In December 2023, Council directed staff to develop an action plan, in principle, by March 2024 that outlines ways to work with community partners, home builders and area municipalities on affordable and attainable housing solutions on publicly-owned land. In response to Regional Council's direction, staff have developed a plan that focuses on five priority areas:

### Coordination of Efforts Through a Rapid Housing Municipal Committee

In the fall of 2023, the Region and area municipal CAOs established the Waterloo Region Rapid Municipal Lands for Housing Program Advisory Committee, which was subsequently discussed at the All-Councils meeting in December 2023. The committee aims to identify joint opportunities to accelerate the creation of affordable and attainable housing units on qualified municipally owned lands in and throughout the Waterloo region. Committee members have been meeting to discuss their scope of work.

The committee is planning to begin work in March 2024 and would discuss the following scope:

- Coordinating Regional and Area Municipal land inventories and opportunities for joint affordable and attainable housing initiatives;
- Streamlining procurement processes at the Regional and Area Municipal levels to attract and short-list more development partners, remove uncertainty in the bidding process, and increase affordable and attainable thresholds;
- Respond to requests for land from development consortiums and not-for-profits looking for lands to support community uses;
- Coordinate responses and applications to senior levels of government initiatives

such as the Housing Accelerator Fund;

- Streamline development approvals process and coordinate initiatives like parking reductions for affordable housing where possible; and
- Coordinate cross-boundary infrastructure requirements to support housing.

Staff will provide updates to Council on initiatives the committee in fall 2024.

#### Inventory of Municipally Owned Lands Available for Affordable Housing

The existing amount of available Regional lands for development is limited. Staff are currently pursuing strategic acquisition opportunities to increase the Region's land portfolio for affordable housing. These opportunities leverage strategic partnerships with area municipalities or other community organizations to assemble land. Staff will bring these opportunities forward in the fall of 2024 for Council's consideration.

Given the confidentiality of land acquisition and processes, municipalities have not been able to contribute to a consolidated inventory at this time.

As part of the 2024 Operating budget, Regional Council approved additional land development staff to help build a larger housing and employment land portfolio. This group will accelerate the technical work and development analysis of affordable housing, industrial land, and other strategic Regional land development projects. Recruitment is under way and will bring new skills to the Region with development expeditors, engineers, and financial analysts. This team will be responsible for building the land portfolio and leading strategic land development projects such as the mixed-use components of the King Victoria Transit Hub and Charles Street Bus terminal. This additional capacity will also reduce the amount of funding currently required for external technical consultants. The team is expected to be complete in May or June 2024.

#### Regionally-Owned Lands and Procurement Processes

Staff are continuing to analyze all Regionally-owned lands for the purposes of affordable housing. Properties such as 1388 Highland Road W in Kitchener and 30 Lauris Ave in Cambridge present opportunities to build affordable and attainable housing units on sites that do not have other uses. With the release of the 1388 Highland Road W Request for Proposal (RFP) in February 2024, staff have built a new approach to streamlining the timelines to select a development partner and begin construction. After meeting with the development industry, staff have structured the RFP to allow more flexibility and risk-sharing between the Region and a future development partner. The Region has also completed all of the planning and technical development work associated with the site to bring it to a shovel-ready state. Under this new approach staff are testing new opportunities to increase affordability on sites and integrate attainable housing options. With these changes, staff are expecting more development partners to

bid on regional properties for affordable and attainable housing. This approach will be further integrated into the RFP for 30 Lauris Ave when issued in fall 2024.

Staff are also pursuing mixed-use opportunities on current and future regional lands. Properties like 651 Concession Road in Cambridge offer opportunities to deliver regional services in the area and accommodate affordable housing options. Staff will be returning to Council in spring 2024 with an analysis and recommendation for a mixed-use development on this site. All other Regional lands are undergoing analysis for development potential where existing regional structures are already in place. Future lands that may be acquired for various regional services will be analyzed for housing development potential alongside regional services.

#### Partner Lands for Affordable Housing Development

Waterloo Region has an emerging affordable housing opportunity through partnership with non-traditional housing not-for-profits or community organizations such as churches and legions. An increasing number of these organizations have been approaching the Region for assistance with development analysis and funding opportunities from senior levels of government to convert their existing lands for uses that support the community. In the second half of this year, staff are coordinating an outreach plan in the second half of 2024 to identify organizations that are interested in completing a development analysis of their lands.

#### Partnerships with Build Now and Other Development Stakeholders Engaged in Affordable Housing Production

Regional staff have met with numerous stakeholders, land owners, not-for-profits and institutional partners over the past 6 months. There is strong support among all stakeholders for an acceleration of housing-related initiatives. Among these is Build Now, a consortium of development partners led by Habitat for Humanity, who are introducing a new medium-density housing model that seeks to dramatically reduce the cost of ownership for “attainable” housing. These discussions are challenging the Region and our Area Municipal partners to innovate in the approach to shifting the housing market in the Waterloo Region. Part of these discussions has identified the need to consider small parcel-size properties that exist within the Region’s land portfolio and the procurement process that municipalities are subject to when identifying development partners.

#### **Communication and Engagement with Area Municipalities and the Public**

Area Municipalities:

The establishment of the Waterloo Region Rapid Housing Program Advisory Committee is an initiative between the Region and the area municipalities to collaborate on

advancing lands that have potential for affordable housing development. The committee is made up of staff for the Region and seven area municipalities. The Committee is commencing its work in March 2024.

## **6. Financial Implications:**

The approved 2024 Economic Development Operating budget includes a service expansion adding staff resources for land readiness strategy work. The expansion provides for six new FTEs who will, in part, support the technical work associated with developing housing on Regionally-owned and not-for-profit organizations' land, and expanding the Region's land portfolio to increase affordable housing stock. The proportion of the service expansion related to this work is \$381,200 in 2024 (\$471,000 annualized), funded from the property tax levy.

## **7. Conclusion / Next Steps:**

Staff will provide the Council with updates on further land development opportunities on municipal lands and bring forward partnership opportunities to develop affordable housing on partner lands.

## **8. Attachments:**

N.A.

**Prepared By:** Matthew Chandy, Director, Innovation & Economic Development

**Approved By:** Rod Regier, Commissioner, Planning Development and Legislative Services