EXECUTIVE SUMMARY:

Council resolved at the regular meeting of April 20, 2010 to defer the award of the subject Request for Proposal (RFP) in order to allow staff to discuss with the Barriefield Residents Association a potential land swap for Affordable Housing.

Staff met with the Barriefield residents’ representatives to hear more details about their proposal, and a subsequent meeting was held with the residents and Federal Representative to determine whether such a proposal would be possible under their program. The Barriefield residents propose a land swap for a centrally located site which provides a more shovel ready project because zoning approvals are already in place. This would be an alternative to the 32 homes originally conceived on Part 3 of the federal surplus lands in Barriefield and would allow the Barriefield parcel to be buffer land. After reviewing the potential project along with the current grant criteria, the federal SFRPHI representative has indicated that a land swap option may be considered for this fiscal year ending March 31, 2011. In the event the swap option is not successful, then the alternative option of acquisition for development of affordable housing on the lands in Barriefield may still be possible in a future fiscal year grant application from April 1, 2011 to March 31, 2012.

After having initial meetings to review the concept, staff consider the land swap to be a viable alternative but more detailed consideration would have to be given to prepare a full proposal. Due to the grant timelines, it would also be necessary for more detailed work on the alternative site(s) to be done as quickly as possible to make the application for this fiscal year as a land swap criteria will not be considered in next year’s program. To assist in evaluating this option, staff propose that the first step in the consultancy assignment be an examination of the proposed land in addition to the initial due diligence investigation of the Barriefield lands that are part of every land acquisition process. Council will then have the benefit of the analysis for this option prior to proceeding with a more detailed design for the Barriefield option.
RECOMMENDATION:

That in consideration of a potential land swap option for federal surplus lands in Barriefield the recommendation of staff in Report 10-147 be revised as follows;

That Request for Proposal #F31-CDS-CFS-2010-1, Consultancy on Potential Acquisition of Federal Surplus land in Barriefield Village, be awarded to MHBC Planning Ltd., the proponent with the higher evaluation score based on the predetermined criteria;

That the Mayor and Clerk be authorized to enter into a contract with MHBC Planning Ltd. to the satisfaction of the Director of Legal Services, for the Consultancy on Potential Acquisition of Federal Surplus land in Barriefield Village to within the established budget and the following terms:

1. The first step in the consultancy assignment will be limited to an examination and recommendation to Council in July 2010 of the land swap option(s) at an additional consultancy expense of approximately $34,000; and
2. That following the above review, should Council decide not to pursue the land swap option, then the original scope of work for RFP #F31-CDS-CFS-2010-1 would proceed to within an upset budget of $198,180 with a report available to Council within 60 to 90 days reporting on the feasibility of proceeding with the affordable housing project in Barriefield.

AUTHORIZING SIGNATURES:

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<thead>
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<th>ORIGINAL SIGNED BY COMMISSIONER</th>
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<td>Acting Commissioner Terry Willing, Community Development Services</td>
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<th>ORIGINAL SIGNED BY CHIEF ADMINISTRATIVE OFFICER</th>
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<td>Gerard Hunt, Chief Administrative Officer</td>
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CONSULTATION WITH THE FOLLOWING COMMISSIONERS:

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<tr>
<td>Cynthia Beach, Sustainability &amp; Growth</td>
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<td>Denis Leger, Corporate Services</td>
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<td>Jim Keech, President and CEO, Utilities Kingston</td>
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(N/R indicates consultation not required)
OPTIONS/DISCUSSION:
Council deferred the following staff recommendation at the regular meeting of April 20, 2010 as follows:

That Request for Proposal #F31-CDS-CFS-2010-1, Consultancy on Potential Acquisition of Federal Surplus land in Barriefield Village, be awarded to MHBC Planning Ltd., the proponent with the higher evaluation score based on the predetermined criteria; and

That the Mayor and Clerk be authorized to enter into a contract with MHBC Planning Ltd. to the satisfaction of the Director of Legal Services, for the Consultancy on Potential Acquisition of Federal Surplus land in Barriefield Village

DEFERRED

Council deferred the award of the subject Request for Proposal (RFP) in order to allow staff to discuss with the Barriefield Residents Association a potential land swap for Affordable Housing.

Council continues to have a number of options with regard to the federal surplus lands in Barriefield Village; they are as follows:

1. Application to the Surplus Federal Real Property for Homelessness Initiative (SFRPHI) to acquire one, two or three of the parcels of land for the development of affordable housing;

2. Identify alternative property(ies) that would be construction ready for the purposes of constructing affordable housing and swap these lands for one, two or three of the Barriefield surplus lands.

3. Purchase of one or more parcels of the surplus land at fair market value

4. Release the city’s interest in the lands and allow the federal government to proceed to sell at fair market value.

Staff met with the Barriefield residents to hear more details about their proposal, and a subsequent meeting was held with some resident representatives and a federal representative of the SFRPHI program to determine whether such a proposal would be possible under their program. In two weeks it was difficult to determine terms or details associated with a land swap. If Council would like to evaluate this proposal staff have provided the cost to report back with options.

The main benefit that an alternate site(s) could provide is a more shovel ready location where zoning approvals are already in place. As a result of the short timeframe allowed for the deferral, at this time details of the proposed swap and development proposal are not fully known, but the concept has potential and the option appears to have the support of federal representatives. In a case where the land is owned by a third party, the city will have to do due diligence work on the proposed property as well as investigate the purchase price.

The federal SFRPHI representative has indicated that a land swap option may be considered for this fiscal year ending March 31, 2011 if the city is able to submit a full proposal for the development. If successful, any swapped land would have to be developed and occupied within 2 years of proposal acceptance. In the event the swap option is not pursued or is not successful in a grant application, then the alternative option of acquisition for development of affordable housing on the Barriefield lands would still be possible for the fiscal year April 1, 2011 to March 31, 2012.

The advantage of considering the swap option in more detail is that City may be able to advance the development of affordable housing in a more expeditious time frame and potentially achieve some cost savings by not having to pursue rezoning and heritage approvals and potential challenges to such approvals on the Barriefield lands. It should be noted that it is not possible that the Barriefield lands could be positioned as a shovel ready project to enable an application by March 2011, such that the
start of any construction could not occur until into the 2013 year at the earliest. The time to prepare numerous studies (referenced in earlier reports) leading to rezoning and heritage applications, possibly an official plan application, and potential challenges to such approvals all factor in to these timelines.

The Barriefield Residents Association are interested in the surplus lands being used as a buffer and open space in order to limit any further development around Barriefield Village thereby contributing to heritage preservation in the district. In order for the land swap option to be accepted, the market value of the federal surplus property(ies) must be lower than the value of the swapped property(ies). The Barriefield residents representatives recognize that unless sufficient construction ready lands are found that are in excess of the value one, two or all three parcels of land, the federal lands would then be submitted for affordable housing development. If such an application is not successful or in the event the city releases its interest in acquisition, the lands would be freed up for sale by the federal government on the open market.

The city has been advised that an application for the land swap option would need to be filed by September and completed before March 2011 because there are no assurances that such an option will even be considered under subsequent versions of the Federal land grant program.

A review of the land swap proposal will need time to develop to the point of a full staff report. Council will have the benefit of this option to review as part of their “go, no-go” decision and it would be the first step in the consultancy assignment with MHBC Planning Ltd. Consideration of the swap option is seen as beneficial both in allowing for the creation of more affordable housing in a shorter period of time and possibly in achieving potential heritage objectives. If the proposal fails at the federal level in this fiscal year, the option to consider the originally conceived development (or another concept for affordable housing) may still be available in the following federal fiscal year.

A full report on the land swap option will be available in July 2010. Should council then decide not to pursue the land swap, the original scope of work would commence. The cost has been adjusted slightly to $198,180 (from $205,979) and the timeline would be adjusted by approximately 60 to 90 days.

EXISTING POLICY/BY LAW: N/A

NOTICE PROVISIONS:
Not required at this stage

ACCESSIBILITY CONSIDERATIONS: N/A

FINANCIAL CONSIDERATIONS:
An award of the RFP F31-CDS-CFS-2010-1 for the original scope of work is at a budget of $205,979. The contract with the proponent will have to be staged to allow “go, no-go” decision points. Staff have determined in discussions with MHBC Planning that an examination of the land swap as a first step would add $34,000 to the original costing estimated in the RFP with the second step evaluation of the Barriefield lands being $198,180.

CONTACTS:
Jim de Hoop, Director Community and Family Services, ext. 4957

OTHER CITY OF KINGSTON STAFF CONSULTED:
Alan McLeod, Senior Legal Counsel, Legal Services

EXHIBITS ATTACHED: N/A