



## Council Report 2019-97

**Title:** Purchase of 473 Ontario Street, Cobourg Ontario and Potential Partnership to Develop Housing

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**Approved by:** Jennifer Moore  
Chief Administrative Officer, Northumberland County

**Strategic Plan:** Economic Prosperity and Innovation  
Thriving and Inclusive Communities

**Council Date:** November 20, 2019

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### Recommendation

**“Whereas** Council approved the acquisition of 473 Ontario Street, Cobourg Ontario at its January 30, 2019 Closed Session meeting, with an upset limit of \$500,000; and

**Whereas** the property was purchased for a negotiated amount of \$507,133.06 inclusive of taxes, legal, and an environmental study; and

**Whereas** Northumberland County took possession of the property on October 24, 2019;

**Now Therefore Be It Resolved That** County Council approves additional financing of \$7,133.06 from the Housing Reserve; and

**Further Be It Resolved That** County Council approve a draw from housing reserves to begin the completion of required pre-development studies required by the Town of Cobourg, with an upset limit of \$75,000; and

**Further Be It Resolved That** County Council approve a draw from housing reserves to begin preliminary site work to become construction ready in the amount of \$30,000; and

**Further Be It Resolved That** County Council direct staff to work with the Town of Cobourg to collaboratively expedite the development process wherever possible; and

**Further Be It Resolved That** County Council authorizes staff to work with the Northumberland County Housing Corporation, Habitat for Humanity Northumberland and the Ontario Aboriginal Housing Services to develop a memorandum of understanding to jointly develop affordable and rental housing on this site.”

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## Purpose

The purpose of this report is to provide County Council with details concerning the purchase of 473 Ontario Street, Cobourg Ontario and to seek Council’s authorization to begin developing a memorandum of understanding with the Northumberland County Housing Corporation (NCHC), Habitat for Humanity Northumberland (Habitat), and the Ontario Aboriginal Housing Services (OAHS).

## Background

As of October 2019, there were over 975 households on the centralized waitlist for rent-g geared-to-income housing in Northumberland. Since 2010, the number of households on the centralized waitlist has grown by more than 260% and the average time spent on the waitlist is nearing 9 years in Cobourg. In 2018, over 240 households were added to the centralized waitlist and only 44 households were housed.

While the demand for community housing (RGI) continues to increase, the demand for private rental market housing has also increased as demonstrated by an increase of rental prices and lack of new rental stock being built. Access to rental housing in Northumberland is limited, particularly in larger urban areas, where the rental market is characterized by high rents and low vacancy/availability rates. It is notable that in all three municipalities (Cobourg, Port Hope and Brighton) where data is available, rates are on track with, or lower than, the provincial average. The overall vacancy rate in Northumberland County is just under 1.1%. Further, according to CMHC, there has been a decrease in the number of private market rental units between 2017 and 2018 (by 6), with the total number of private market units increasing by only 9 since 2015.

Northumberland County’s Affordable Housing Strategy looked at local data collected through our homelessness enumeration, waitlist statistics, local rental listings; custom data tabulations based on Statistics Canada 2016 Census; and data available through the CMHC. Based on this analysis, the Affordable Housing Strategy found that:

- 22.2% (7,925 households) of households are spending more than 30% on housing costs.
- 8.7% (3,115 households) of households are spending more than 50% on housing costs.
- The centralized waitlist has increased by approximately 260% in 10 years.
- Northumberland has a larger and growing proportion of smaller households (1-2 persons) than Ontario, but has a much larger proportion of single detached dwellings.
- The average market rent is not affordable to many low income households.

There are presently a total of 72 households, predominately one-person households on Northumberland County's by-name list. These 72 households represent people experiencing homelessness that are working with the Homelessness Coordinated Response Team (HCRT). It is important to note that this is not an exhaustive count of all individuals and families experiencing, or who are at risk of, homelessness in our community.

Indigenous people represent 2.7% (off-reserve) of the population in Northumberland County according to the 2016 Census. While, Indigenous households make up a small portion of all households in Northumberland, they are increasing at a much faster rate compared to the overall household County. As according to the Northumberland County Affordable Housing Strategy, there is a need to consider culture in the design of housing and support services. This is particularly important given that the results of the 2016 and 2018 homelessness enumeration show that Indigenous individuals and families make up a significant proportion of the population who are homeless or at risk of homelessness in Northumberland County. Based on the 2016 and 2018 20,000 Homes Campaign in Northumberland County, Indigenous people represented approximately 30% of people surveyed as experiencing homelessness, virtually all of whom were residing in an urban (off-reserve) setting.

### 473 Ontario Street

473 Ontario Street, Cobourg Ontario is a 1.47 acre lot that is currently vacant and zoned R5. This property was listed for sale, with an asking price of \$500,000. The current zoning would allow for townhouses or an apartment building with a maximum of 6 storeys. The current parking requirements in Cobourg would require 1.5 parking per unit and as the property is next to train tracks, it would require a noise and vibration study for future development. Environmental assessment studies were completed prior to the final purchase and all findings were within the acceptable range.

The total acquisition price for the property is \$483,360.00 comprised of the accepted offer amount of \$475,000 and non-recoverable HST of 8,360.00.

The total financing required to fund costs associated with the purchase of this property is \$507,133.06. This amount is comprised of a land purchase price of \$483,360.00, land transfer tax of \$5,975.00, registration, insurance and legal fees of \$4,294.56 and completed environmental (Phase 1 and 2) studies in the amount of \$13,503.50. It is anticipated that a noise and vibration study will also be required to become construction ready for the development of this land excluding design work.

### Proposed partnership for development

Staff have had preliminary discussions with Habitat and OAHS to discuss the feasibility of partnering together to develop innovative options that meet the housing needs of residents throughout Northumberland County. Habitat is a local organization with a strategic goal of creating 5 new houses annually and has expanded programming to include support to homeowners in making necessary capital and accessibility repairs. In addition, Habitat has begun to work with the County in the delivery of homelessness prevention programs and housing stability programs. OAHS is a provincial non-profit housing and service provider with a mandate to deliver safe and affordable housing to First Nation (status and non-status), Inuit and Métis people living off-Reserve throughout Ontario. OAHS currently serves 25 households

in Northumberland through the Rural and Native Housing (RNH) program. The RNH program provides RGI housing to Indigenous and non-Indigenous people considered to be in core housing need in areas in Ontario with a population of 2,500 or less. OAHS provides a variety of supports across the housing continuum from RGI units to assisting homeowners and home repair assistance. As the local housing corporation, the NCHC will be a valuable resource to this partnership as the largest local RGI housing provider, and one of the largest landlords in the County.

It is anticipated that through this partnership, the County, OAHS, Habitat and the NCHC will be able to work together to consider appropriate housing models that will support the development of affordable and rental housing in Northumberland. With land secured and properly zoned, the partners will be able to begin developing the model, conceptualize and procure drawings, etc. and be construction-ready to apply for funding as required. Northumberland County Council will be updated throughout this project as key milestones are reached in both the formalization of the partnership and conceptualization of the site and housing models implemented.

## **Consultations**

Internal consultations have occurred with key County staff departments including Finance, Planning, Community and Social Services, Transportation, Waste and Facilities and the Chief Administrative Officer. In addition, initial discussions have occurred with key representatives from the NCHC, OAHS and Habitat.

## **Legislative Authority/Risk Considerations**

All due diligence was completed prior to the final purchase, including phase one and two environmental assessments. In order to become construction ready, a noise and vibration study will be required.

## **Discussion/Options**

473 Ontario Street has been purchased. It is recommended that this site be used in the development of a memorandum of understanding between the County, NCHC, OAHS and Habitat to begin considering innovative models for affordable housing in Northumberland County. It is anticipated that through this development, housing may be able to be developed that will provide dedicated housing options to Indigenous households experiencing homelessness in Northumberland County. In addition, it is anticipated that through this development, households will be able to be housed from the Northumberland County centralized waitlist.

It will be important to complete the required planning study expediently in order to support any specific requirements in the design process. It will be critical to develop the full memorandum of understanding in the more immediate term in order to fully understand the parameters and scope for the group as a whole and for each organization. Further, it will be important for the partner organizations to consider potential funding sources for the full construction and ongoing operations of this project.

## **Financial Impact**

The total financial impact associated with the purchase of 473 Ontario Street is \$507,133.06 as outlined above. Future financial impacts associated with this project will include the completion of the noise and vibration study through a draw from housing reserves.

## **Member Municipality Impacts**

Impacts for member municipalities will likely be positive, including the demonstrated commitment of the County to begin taking concrete actions to address the current rental housing crisis in Northumberland County, as well as any support provided by member municipalities.

## **Conclusion/Outcomes**

It is recommended that County Council approve the total financing for the purchase of 473 Ontario Street in the amount of \$507,133.06. It is also recommended that County Council approve a draw from Housing Reserves to complete the required planning studies.

It is further recommended that County Council authorize County staff to begin developing a Memorandum of Understanding with the NCHC, OAHS and Habitat with the purpose of developing affordable and rental housing at 473 Ontario Street, Cobourg Ontario.

## **Attachments**

N/A