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Item No. 10
Halifax Regional Council
July 9, 2024

TO: Mayor Savage and Members of Halifax Regional Council

FROM: Cathie O'Toole, Chief Administrative Officer

DATE: June 27, 2024

SUBJECT: AO 50 Amendments - Surplus Land Designation

INFORMATION REPORT

ORIGIN

This report originates with the following approved motions:

1. January 9, 2024 Regional Council motion (Item No. 15.6.1):

MOVED by Councillor Lovelace, seconded by Councillor Hendsbee

THAT Halifax Regional Council direct the Chief Administrative Officer to provide a staff report on amending Administrative Order 50, Respecting the Disposal of Surplus Real Property (AO-50), to ensure surplus land designated for Affordable Housing can support housing construction including required provincial regulatory requirements for On Site Septic Disposal Systems (OSSDS), groundwater, wetlands, and watercourse alteration.

2. December 15, 2020 Regional Council motion (Item No. 11.1.5)

MOVED by Councillor Cleary, seconded by Councillor Mason

THAT Halifax Regional Council adopt the amendments to Administrative Order 50, Respecting the Disposal of Surplus Real Property Administrative Order, as set out in Attachment 2 of the staff report dated October 15, 2020.

EXECUTIVE SUMMARY

Council's January 9, 2024 motion directed staff to provide a staff report on amending AO50 to ensure surplus land designated for Affordable Housing can support housing construction including required provincial regulatory requirements for On Site Septic Disposal Systems (OSSDS), groundwater, wetlands, and watercourse alteration.

Under HRM's Housing Accelerator Fund (HAF) Action Plan, HRM Planning and Development is currently developing a process that aims to identify and convey suitable surplus municipal lands to eligible affordable

housing projects. This initiative will both consider lands previously designated as surplus for affordable housing through Administrative Order 50, as well municipal lands not yet designated as surplus. Whereas the framework for this initiative is currently under development, and anticipated to be in place by December 2024, it is staff's intention to consider the motion of Council in this work.

BACKGROUND

On April 9, 2013, Council approved Administrative Order 50 (AO50) for the disposal of surplus real property. Administrative Order 50 provides a standardized disposal approach by bringing before Regional Council — via surplus property reports — candidate properties for review and decision with respect to: (1) surplus status; and (2) category of disposal method. This is the initial step in the disposal process.

At its September 22, 2020 session, Regional Council Directed staff to amend AO50 to establish a specific category for affordable housing. A report titled "Amendment to Administrative Order 50 – Respecting Disposal of Surplus Real Property – Addition of Affordable Housing Category" was presented to, and approved by, Regional Council on December 15, 2020 (Item No. 11.1.5).

The approved addition of the Affordable Housing category to AO50 permits Regional Council to designate surplus property, with the potential to be used for affordable housing purposes, for sale at below-market-value disposal, subject to the requirements of Section 63 of the HRM Charter.

Council's January 9, 2024 motion directed staff to provide a staff report on amending AO50 to ensure surplus land designated for Affordable Housing can support housing construction including required provincial regulatory requirements for On Site Septic Disposal Systems (OSSDS), groundwater, wetlands, and watercourse alteration.

DISCUSSION

The current AO50 policy as amended by Council (2020) to include the Affordable Housing Category states the approved disposal method for the Affordable Housing Category under AO50 as follows:

- (5) This category of properties shall be disposed of through direct sale, or a call for submissions, open to eligible not-for-profit organizations meeting the submission requirements and program criteria established from time-to-time by the Director, or their designate, of the department of the Municipality that is responsible for planning and development.

When assessing properties for designation under the Affordable Housing category, Planning staff assess properties for their potential for residential development with respect for zoning, including minimum lot size and land use. Other land suitability considerations such as servicing, septic, wetland or watercourse issues are currently the responsibility of the purchaser to determine.

Properties reviewed and recommended for approval under AO50 are a result of external parties inquiring to purchase municipal properties or properties that are identified by staff that are surplus to municipal needs. For many purchasers, especially in the current market of low inventory, having the ability to secure a property quickly is important. This may be especially true for many non-profits looking for affordable housing projects where they are often presented with tight program/funding or other timeline requirements to identify/secure a property at least on a conditional basis while due diligence is considered.

The process for identifying, reviewing, and declaring a property surplus as it presently exists, is a lengthy process involving input from multiple business units. Undertaking a complete land suitability analysis to confirm the items identified in the Council motion, especially on a case-by-case basis, would be time consuming. In considering the requested amendments to the process for properties categorized as affordable housing this could significantly extend the AO50 process timeline and potentially reduce HRM's

ability to respond quickly to urgent requests.

Under HRM's Housing Accelerator Fund (HAF) Action Plan, HRM Planning and Development, in partnership with Corporate Real Estate, is developing a process that aims to identify and convey suitable surplus municipal lands to eligible affordable housing projects. This initiative will both consider lands previously designated as surplus for affordable housing through Administrative Order 50, as well municipal lands not yet designated as surplus but which may be appropriate for affordable housing development. The initiative may also set parameters for assessing properties previously designated as Affordable Housing but which are found to be unsuitable for affordable housing and consider their redesignation under another category of surplus property. As a key initiative and milestone under HAF, the framework for this initiative is currently under development and anticipated to be in place by December 2024. It is staff's intention to consider the motion of Council in this work.

FINANCIAL IMPLICATIONS

No financial implications at this time.

COMMUNITY ENGAGEMENT

No community engagement was required.

LEGISLATIVE AUTHORITY

Halifax Regional Municipality Charter, S.N.S. 2008, c.39

Powers of Municipality regarding property

- 61 (3) The property vested in the Municipality, absolutely or in trust, is under the exclusive management and control of the Council, unless an Act of the Legislature provides otherwise.
- (5) The Municipality may:
- (b) sell property at market value when the property is no longer required for the purposes of the Municipality;

Sale or lease of municipal property

63 (1) The Municipality may sell or lease property at a price less than market value to a non-profit organization that the Council considers to be carrying on an activity that is beneficial to the Municipality.

(2) A resolution to sell or lease property referred to in subsection (1) at less than market value shall be passed by a two-thirds majority of the Council present and voting.

(3) Where the Council proposes to sell property referred to in subsection (1) valued at more than ten thousand dollars at less than market value, the Council shall first hold a public hearing respecting the sale.

(4) The Council shall advertise the public hearing at least twice, in a newspaper

circulating in the Municipality, the first notice to appear at least fourteen days before the hearing.

(5) Notice of the public hearing shall include the date, time and place of the hearing, the location of the real property or description of the tangible personal property, the estimated value of the property and the purpose of the sale.

Land or cash-in-lieu

283 (14) Where the Council determines that any land transferred pursuant to this Section may no longer be needed for parks, playgrounds or similar public purposes, the Council may sell the land, after notifying the owners of lots in the subdivision with respect to which the land was conveyed to the Municipality, by notice published in a newspaper circulating in the municipality at least fourteen days prior to the Council meeting at which a decision to sell will be made, and the proceeds must be used for parks, playgrounds and similar public purposes.

Administrative Order Number 50 Respecting the Disposal of Surplus Real Property.

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