

Municipality of Lakeshore – Report to Council

Growth and Sustainability

Planning Services



To: Mayor and Members of Council

From: Daniel Mercer, urbaniste, RPP, MCIP, Division Leader - Community Planning

Date: May 21, 2025

Subject: Disposition of Municipal Lands for Housing

Recommendation

1. Direct Administration to explore a partnership with the Windsor-Essex Community Housing Corporation ("WECHC") to develop the property located at 7340 Tecumseh Road for the primary purposes of developing housing units, with public space for a public library as a community hub, and with public access to the municipal park located north of the site; and
2. Delegate to the Chief Administrative Officer the authority to enter into a partnership agreement with WECHC to determine project viability with expansion of the project site into the Stoney Point Community Park with detailed costing; and
3. Direct Administration to issue an Expression of Interest for development of the property located at 369 River Ridge Drive for the primary purpose of developing housing units to determine project interest, potential partners and overall viability including detailed project costs, all as presented at the June 24, 2025 Regular Council meeting.

Strategic Objectives

This report does not relate to a strategic objective. However, the Municipality of Lakeshore is committed to enabling housing development through improving planning approval times, leveraging federal and provincial funding, and ensuring efficient implementation of Initiatives under the Housing Accelerator Fund, Round 2 (HAF2).

Background

This report evaluates the feasibility of developing housing at two municipally owned properties in Lakeshore, namely:

1. 7340 Tecumseh Road, former Stoney Point Tavern site (see Appendix A);
2. 396 River Ridge Drive, currently Oakwood Parkette (see Appendix B)
(collectively, the "Subject Properties")

The objective of reviewing the two chosen sites for feasibility is to ultimately provide new housing including options targeted to low and moderate income households within Lakeshore neighbourhoods and communities. The project will enhance community development by integrating housing options into already established neighbourhoods. The project directly supports municipal housing goals including those outlined in the Municipality of Lakeshore's HAF2 Approved Action Plan.

While the HAF2 contribution agreement provides the broad intent of unlocking municipal land for any type of housing, alignment with key Municipal strategies makes a good case that these two developments should target a significant proportion of the units for affordable, attainable, or below-market housing. Further analysis throughout the EOI and project agreement process, including possible funding sources from other levels of government, will be able to determine the percentage of housing units that need to be provided at below-market rates in order to make the development on both sites financially viable.

An Administrative review of available public lands in Lakeshore began in early 2024 as a means to provide innovative options to help meet housing needs in our community while ensuring that Municipal assets continue to meet the highest and best use for service delivery to residents and visitors. A total of 179 Municipally owned sites were identified which were reviewed against selection criteria below to determine suitable candidate sites for further exploration:

1. If the site is municipally serviced or could be readily serviced and have available sanitary sewer capacity.
2. If the site is vacant and/or without significant development constraints (e.g.: contains existing municipal infrastructure) or other land use incompatibilities.
3. If the site is suitable in physical size/orientation and area to accommodate a housing development.
4. If the site is accessible by way of an existing municipal right of way or fronting a street.
5. If the site could be expanded in future or made part of a larger development combined with other private lands or public lands (e.g.: surplus park lands or portions of park lands)
6. Whether the site was considered by an Administration Review Committee in the last five years and deemed unsuitable for disposal.

Administration proceeded to determine the feasibility of housing developments for the Subject Properties. In addition to evaluating feasibility, Administration must also need to comply with the applicable Council processes and municipal policies in order to enable private development on these properties. This includes Policy AD284 (Closing, Sale, and Disposition of Streets and Alleys) and Policy AD227(Sale and Disposition of Land), attached as Appendices C and D, respectively.

Since May 20, active internal consultation and engagement with respective Municipal departments including Community Health and Safety Services, Operations Services, and Legal Services. External consultation was also undertaken with Windsor-Essex Community Housing Corporation ("WECHC").

It should be noted that information related to project parameters and scope will need to be provided to City of Windsor Council for the purpose of seeking a WECHC project partnership approval as the City of Windsor is the service manager for the WECHC. The earliest opportunity for being in position for consideration at a future City Council Agenda would be in the fall of 2025.

With regard to Site # 1, 7340 Tecumseh Road in Stoney Point, the following motion was passed at the December 12, 2023 Council meeting:

Resolution # 363-12-2023

Direct the Chief Financial Officer to allocate \$10,000 from the Economic Development Reserve to begin early feasibility studies for the redevelopment of 7340 Tecumseh Road in partnership with the Windsor Essex Community Housing Corporation, as presented at the December 12, 2023 Council meeting.

Result: Carried

Early feasibility work was completed by WECHC in 2024, including developing a preliminary design for consideration. The work was paused in mid-2024 due to sanitary constraints with no identified solution. Since that time, the Water Wastewater Master Plan update has been completed which sets out recommendations to rectify the servicing constraints in Stoney Point. As well, Lakeshore has been awarded a four-year HAF2 grant from the Canada Mortgage and Housing Corporation (CMHC) and the Canadian Housing Infrastructure Fund (CHIF). Both HAF2 and CHIF unlock important funding opportunities to pursue this development as a broader initiative to increase housing supply in Lakeshore. Ongoing consultations are underway in terms of the governance model and ownership structure potential.

Engagement with internal departments has now been completed and Administration is bringing this report to recommend next steps and a timeline for moving forward on the Subject Properties. The following analysis considers zoning regulations, market demand, financial viability and community impact. Preliminary findings indicate both sites are feasible. Certain regulatory, administrative, and infrastructural requirements must be addressed to proceed with development.

Comments

Housing Accelerator Fund Intake 2 (HAF2)

A contribution agreement was signed on January 24, 2025, with nine Initiatives as a part of the Approved Action Plan. Initiative 5 is to develop a Municipal Land Inventory (MLI) for potential disposition of land for private sector development of housing. The HAF2 Approved Action Plan identifies that this Initiative is targeted to incent an estimated 40 housing units that would contribute to the Municipality's overall housing supply growth target of 898 net new housing units by Q1 2028. Under this Initiative 5 – MLI, the Approved Action Plan identified the following milestones as the component project steps:

Milestones	Start Date	Completion Date
1) Completion of the MLI	2025-01-27	2025-04-14
2) Council Consideration of the MLI	2025-04-14	2025-05-12
3) Retain Representation	2025-05-12	2025-06-09
4) Begin Property Development negotiations/ partnerships	2025-06-09	2025-12-29
5) Finalize Project Plan	2026-01-05	2026-04-07

It should be noted that continued funding under HAF2 is contingent on meeting the milestones in each Initiative, successful completion of each Initiative, meeting annual housing growth targets, and implementing identified capital funding projects. Each February, following the anniversary of the signing of the contribution agreement, the Project Leader is responsible for submitting annual reports in order for CHMC to assess whether Lakeshore will receive the subsequent annual financial draw of funding. Administration has been informed each on-time Initiative strengthens the Municipality's case for continued funding. Therefore, it is critical to proceed with these two projects to meet HAF2 milestones to support future HAF2 funding. The financial risks are further outlined at the bottom of this report.

Furthermore, Lakeshore has committed to achieving 5.1% of the total net new housing units as being affordable housing units as part of the contribution agreement. This equates to 46 units of the total 898 units. On March 25, 2025, Council adopted the Housing Needs Assessment and is currently updating the Affordably Housing Strategy as well as developing options for Community Improvement Plans for Housing. All are proceeding with the support of the HAF2 grant. As the timeline proceeds to develop both properties with the partnership agreement for site 1 and the Expression of Interest (EOI) for site 2, a portion of the units should be developed as affordable to successfully achieve the 5.1% affordability target.

Municipality of Lakeshore Official Plan

Section 4.3.1.3 of the Official Plan relates directly to Affordable Housing. In particular, the following section provides support for providing surplus Municipal land at little or no cost for use for affordable housing:

- h) The Municipality will first consider surplus municipal land for affordable housing and may evaluate the feasibility of providing municipally owned land at a reduced cost for the construction of affordable housing. Furthermore, the Municipality will work with other levels of government to make surplus land available to providers of affordable housing at little or no cost.

County of Essex Affordable Housing Strategy

The County of Essex, in partnership with the City of Windsor, is currently undertaking a joint process to develop a regional affordable housing strategy. It is expected that there will be some site analysis completed on municipal lands that could be declared surplus for housing purposes. The complete strategy will be brought for consideration to the City of Windsor Council and the County Council in June, with further consideration by each municipality in August. This timing aligns with Lakeshore's consideration of future disposition of sites under the HAF2 Initiative.

Relationship with Centre for Cities work

The results of the feasibility studies of the selected sites will conclude the internal work that began in early 2024 and act as background and foundational work to other HAF2 Initiatives. When Council decides on whether to dispose of the sites through a future report to Council, it will allow further consideration and analysis to be completed by the Lakeshore HAF team in partnership with the University of Windsor's Centre for Cities HAF team.

Site # 1 - 7340 Tecumseh Road

Project Description:

This site is currently vacant and was once the location of the Stoney Point Tavern. The business ceased operating and the building was vacant for a number of years. The Municipality purchased the property in 2023 and demolished the building in the same year. The site immediately abuts the Municipal Stoney Point Community Park to the north. During the community visioning and approved design concept for the Stoney Point Community Park, the former Tavern site was identified as potential future 'community hub' location and a gateway into the Community Park with some capacity for parking.

WECHC has indicated a desire to partner with the Municipality for the development of this site. WECHC has preliminarily proposed a mixed-use apartment development which could contain approximately 40-60 dwelling units with a mix of bachelor and one-bedroom units. The proposal also includes a new relocated Stoney Point branch of the County of Essex Public Library system within the proposed building. The project, as preliminarily proposed, would require an extension of the development site to the north (into a portion of the existing Park) in order to accommodate parking for the building and an area for storm water management.

Coordination with Community Park Redevelopment

Preliminary discussions held with WECHC indicate flexibility for determining the exact location and size of the additional needed lands (see Appendix A diagrams). Generally, the additional lands needed for parking and circulation by WECHC are desired to the north/northwest of the former tavern site. The Municipality's best interest is to minimize the extent of additional land needed to accommodate parking and circulation and to

identify its best location so that there will be minimal impact to the overall park design and proposed park functions.

The design for Stoney Point Park is nearing completion. If this site is chosen for disposal, the design tender could be amended to include possible options to incorporate portions of the park for disposal to be used as housing. The extent of encroachment would be considered in the feasibility study to be presented for Council consideration.

Project Timeline and Consultation

Summer 2025 – Public Open House

- An interim step during the site design process will include a community open house to seek public comments on the preliminary community hub design and to get feedback on any expected changes to the Stoney Point Community Park.

By the end of 2025 – Negotiations Complete

- Discuss project parameters and scope with the City of Windsor as the WEHC service provider before (Note: the earliest opportunity for future City Council Agenda would be in the fall of 2025).
- Following the site design resolution, property and development negotiations with WEHC are expected to be completed.

Late 2025/Early 2026 – Planning Permissions

- In addition to the open house mentioned above, the development approval will be subject to the formal *Planning Act* requirements for public notice, consultation and Council consideration/approval including any Official Plan and/or Zoning By-law Amendments and needed minor variances.

Spring 2026 – Project Plan

- A Final Project Plan will then be presented to Council.

If negotiations are satisfactory to Council, Administration will also be required to comply with applicable Council policies and procedures to develop the site, including Policy AD284 and Policy AD227, attached as Appendices C and D, respectively.

Site #2 – 396 River Ridge Drive

Project Description

This site is currently largely unused with a small portion used as a parkette named Oakwood Park. In the recent past, the development of the larger River Ridge Park – located to the east approximately 600 metres away on Oakwood Avenue – therefore it is likely a factor in this parkette not being frequented as much. The amenities of the parkette include a play structure and seating. The site is adjacent to low density residential development.

As the parkette is currently underused due to its location on Oakwood Drive and proximity to the larger River Ridge Park with newer amenities including a splash-pad. It can be considered unnecessary for the neighbourhood's parkland needs providing the opportunity for land disposal. The possibility of relocating the existing park amenities, such as the playground equipment, to a location south on Aspen Ridge Crescent will also be determined as part of any resulting housing development plan.

The project plan includes first soliciting interest in disposition of the vacant parcel to a private and/or public entity for the purpose of realizing a residential development in the form of multifamily or row house type development.

Request for Expressions of Interest (EOI) Process

Through an EOI process, the Municipality will seek to identify partners with the interest and capacity to invest in and manage a housing project at this site. The intent of the EOI Request is to solicit input from housing investors and explore innovative, inclusive and feasible housing solutions that address the growing need for housing options within the River Ridge/Emeryville community with a specific focus on exploring inclusion of below-market unit rates. Consideration might also be made to integrate upcoming 'pattern book' style development designs – another separate HAF2 Initiative – into the project.

The timeline for the EOI process will include in-house preparation of the EOI request document, releasing the EOI document to solicit proposals, review of the EOI proposals submitted, and selection of the preferred partner(s).

Project Timeline and Consultation

Summer 2025 - EOI

- The EOI document will be prepared in June, released in July and submissions reviewed in August.

September 2025 – Selection of Partner

- Selection of the preferred partner is anticipated for September.

Late 2025/Early 2026 – Planning Permissions

- In addition to the open house mentioned above, the development approval will be subject to the formal *Planning Act* requirements for public notice, consultation and Council consideration/approval including any Official Plan and/or Zoning By-law Amendments and needed minor variances.

By the end of 2025 – Negotiations Complete

- Development negotiations complete.

Spring 2026 – Project Plan

- A Final Project Plan will then be presented to Council.

Coordination with Affordable Housing and Rural Economic Development CIP Process

As part of the preparation of the EOI document, Administration will consult with Dillon Consulting who are preparing proposals for Community Improvement Plans (CIPs) for Housing and Rural Economic Development under federal and provincial grants. It is anticipated that a general overview of the range and types of financial incentives being considered for the upcoming CIP will be included in the EOI document to illustrate the potential programs and opportunities available to investors for development of this site.

Conclusion

The WECHC partnership will allow for efficient development of the 7340 Tecumseh Road site and meet the objectives of ongoing feasibility work. The EOI process will determine if there is an interest in development of the 369 River Ridge Drive site. Advancing both proposals on the recommended path will successfully meet the requirements of HAF2 Initiative #5.

Both site developments will be subject to the formal *Planning Act* requirements for public notice, consultation, and Council consideration/approval including any Official Plan and/or Zoning By-law amendments and needed minor variances. Other Council processes and/or municipal policies such as disposition of municipal lands in order to sell and dispose of public land to enable private development will also need to be satisfied.

Others Consulted

University of Windsor's Centre for Cities

Financial Impacts

As this MLI is an Initiative of HAF2, the financial impact relates both to the disposition of public lands (i.e.: land sale and/or relocation of existing park assets) and continued funding under the HAF2 intergovernmental agreement.

In terms of the HAF2 contribution agreement, the first advance was distributed on February 12, 2025. From an incoming funds perspective, as long as Lakeshore meets the various milestones and targets as assessed through the annual reporting schedule, the contribution draw schedule is as follows:

- February 12, 2025: \$1,859,040.50 (Received)
- March 25, 2026: \$1,859,040.50
- March 25, 2027: \$1,859,040.50
- March 25, 2028: \$1,859,040.50

TOTAL: \$7,436,162.00

However, it should be noted that there is a significant risk if the overall housing supply growth target of 898 net new housing units, the annual housing supply growth targets, or the nine Approved Action Plan initiatives are not achieved. All payments are considered an 'advance' towards meeting the terms of the contribution agreement. As conditions, CMHC can reduce or withhold annual payments if Lakeshore is not making progress on implementation. The financial risk of the entire HAF2 project falls on the Municipality of Lakeshore if these items are not delivered. Failure to meet milestones, housing supply growth targets, or additional targets could result in the need for funding from other sources of revenue, if the project goals do not meet CMHC requirements.

Attachments

Appendix A – Feasibility Report: 7340 Tecumseh Road

Appendix B – Feasibility Report: 396 River Ridge Drive

Appendix C - Policy AD284 - Closing Sale and Disposition of Streets and Alleys

Appendix D – Policy AD227- Sale and Disposition of Land

Report Approval Details

Document Title:	Report for Direction - Disposition of Municipal Lands - 7340 Tecumseh Road and 396 River Ridge Drive.docx
Attachments:	<ul style="list-style-type: none">- Appendix A - 7340 Tecumseh Road - Affordable Housing Site Feasibility Report.docx- Appendix B - 396 River Ridge Drive - Affordable Housing Site Feasibility Report.docx- Appendix C - Closing Sale and Disposition of Streets and Alleys Policy AD284.doc- Appendix D - Sale and Disposition of Land Policy AD227.doc
Final Approval Date:	Jun 17, 2025

This report and all of its attachments were approved and signed as outlined below:

Prepared by Daniel Mercer

Submitted by Tammie Ryall

Approved by the Corporate Leadership Team