

City of Mississauga

Corporate Report



Date: 2016/06/07

To: Chair and Members of Planning and Development Committee

From: Edward R. Sajecki, Commissioner of Planning and Building

Originator's files:
CD.06.AFF

Meeting date:
2016/06/27

Subject

Information Report (All Wards)

Affordable Housing Program: Public Land for Housing First

File: CD.06.AFF

Recommendation

1. That the report from the Commissioner of Planning and Building, dated June 7, 2016 titled "Affordable Housing Program: Public Land for Housing First", be approved.
2. That staff be directed to amend City Corporate Policy and Procedure 05-04-01 - *Acquisition and Disposal of Real Property*, to apply a "housing first" approach, as outlined in the above-referenced report.

Background

On February 10, 2016, Council approved the *Affordable Housing Program: Framework and Work Plan*. A key deliverable of the work plan is the development of a public land for housing first policy.

The lack of available serviced land at a reasonable price has been identified as a significant barrier to the production of affordable housing. This is particularly true in expensive real estate markets such as Mississauga.¹ The *Affordable Housing Program - Municipal Best Practices* report endorsed by Council on May 11, 2016, identified three ways that municipalities can use public land to reduce development costs:

1. enter into land leases;
2. donate land; or
3. provide land at below market value.

¹ An "expensive" real estate market is one where the cost of a standard home or rental apartment is more than 30% of household income. The Affordable Housing Program - Gap Analysis report confirmed that one in three households in Mississauga is spending this much on housing costs.

The Best Practices report also identified a public land for housing first policy as a high priority consideration for Mississauga.

Several municipalities in Ontario, across Canada and the US have adopted land for housing first policies as part of a comprehensive affordable housing strategy. In some cases land is made available below market rates but in others, it has been made available as a disposition preference at market value.

Housing first policies are often advanced as a strategy to ensure affordable housing for the local workforce and to support local businesses. Affordable housing is becoming a major issue for many workers (e.g. retail workers, service providers, young professionals) in the larger metropolitan centres in Canada (e.g. Vancouver, Toronto).²

Comments

In Mississauga a public land for housing policy would expand opportunities for affordable housing by making appropriate sites available for redevelopment. It should be recognized however, that the City currently owns relatively few surplus properties with the potential to yield a significant number of affordable housing units. In the future, additional land/assets may be acquired by the City through purchase, density bonusing, inclusionary zoning or be transferred from provincial and federal governments as large strategic sites in the city are developed (e.g. Inspiration Lakeview).

Mississauga's Corporate Policy and Procedure 05-04-01 *Acquisition and Disposal of Real Property*, which addresses the sale of surplus City lands, is currently under review (See Appendix 1). Staff are proposing this policy be amended to place priority on surplus properties for affordable housing.

This does not mean land will automatically be slated for affordable housing. Each parcel would be assessed to determine its suitability for housing. Such considerations may include parcel size and configuration, development context, existing planning permission, potential yield, etc. If suitable, then affordable housing providers would be given first option to acquire the site at market value.

What are "surplus" lands?

City-owned properties are required to be declared "surplus" through a report to Council prior to their disposition and sale. Surplus lands/buildings are City-owned properties which are no longer required to support existing or future municipal services. According to the current policy, the City strives to achieve maximum financial benefit when disposing of surplus lands.

² Choise, Simona, "Universities Struggle to Attract Professors Amid Soaring Housing Prices", Globe and Mail. May 23, 2016

Can surplus public land owned by other levels of government or agencies be used for affordable housing?

All public agencies (e.g. federal, provincial, Peel Region and school boards) have policies or protocols in place for the disposition of property which has been deemed surplus to their needs. The availability of these lands for affordable housing purposes varies by agency and disposition preferences (see Appendix 2). For example, Infrastructure Ontario circulates surplus properties to eligible non-profit organizations. The school boards on the other hand, follow a procedure where affordable housing producers would bid for surplus school sites on the open market.

By making affordable housing a priority consideration in the disposal of City-owned land, Mississauga can improve development opportunities for affordable housing and better address our local housing needs.

Housing Affordability Advisory Panel

The Housing Affordability Advisory Panel met on May 31, 2016 and confirmed its support for making surplus City-owned land available for affordable housing. The Panel provided the following comments:

- maintaining access to affordable housing is important to support Mississauga's workforce and economy;
- affordable housing can be developed on land purchased at market-value if other incentives or funding assistance are available;
- it is preferable to own rather than lease land in order to secure financing; and
- City-owned lands should not be sold for less than market value unless affordability can be secured in the long term.

Recommended Direction

That staff be directed to amend City Corporate Policy and Procedure 05-04-01 - *Acquisition and Disposal of Real Property*, to apply a "housing first" approach. Prior to the sale of any surplus City-owned land planning staff will identify which properties could be considered for disposition for affordable housing. The assessment would take into consideration the following, among other matters:

- property size, location and development context;
- proximity to transit;
- applicable official plan policies and zoning regulations; and
- development potential/yield.

Strategic Plan

The need for affordable housing originated with the Strategic Plan *Belong* Pillar. Two strategic goals relate to affordable housing – Ensure Affordability and Accessibility and Support Aging in Place. Three strategic actions link to the work underway for the affordable housing strategy:

- Action 1 – Attract and keep people in Mississauga through an affordable housing strategy
- Action 2 – Expand inclusionary zoning to permit more housing types and social services
- Action 7 – Legalize accessory units.

Financial Impact

The Public Land for Housing First Policy is proposing that surplus City-owned lands be sold to affordable housing producers at market-value.

Conclusion

The delivery of affordable housing in Mississauga requires the cooperation of all levels of government, Peel Region, the non-profit sector and private corporations. An obvious role for the City is to increase access to serviced municipal land by adopting a public land for housing first policy for surplus properties.

Increasing the supply of land will improve opportunities for affordable housing producers to access recently announced government funding to create more housing for low and moderate income households in Mississauga.

Appendix 1: Corporate Policy 05-04-01 *Acquisition and Disposal of Real Property*

Appendix 2: Other Surplus Public Land Disposal Procedures and Opportunities for Affordable Housing



Edward R. Sajecki, Commissioner of Planning and Building

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TAB: PROPERTY AND FACILITIES
SECTION: REAL PROPERTY MANAGEMENT
SUBJECT: ACQUISITION AND DISPOSAL OF REAL PROPERTY

POLICY STATEMENT The City of Mississauga's Real Property is managed and assessed in accordance with the City's legislative authority, effective business convention, the principles of fair, transparent, and accountable government, and the Real Property management principles outlined in this policy.

PURPOSE The purpose of this policy is to establish the structure, authorities and accountabilities in creating a framework for decision making in the assessment, acquisition, disposal, management and administration of the City's Real Property.

SCOPE This policy applies to all Acquisitions and Disposals of Real Property undertaken by the City of Mississauga, and to the administration of the City's Real Property.

Policy Does Not Apply This policy does not apply to the following types of Acquisitions:

- Real Property dedicated to the City either through development applications or cash in lieu/parkland dedications (refer to Corporate Policy and Procedure –Dedication of Land, or Cash in Lieu Thereof, for Public Open Space);
- Real Property acquired by the City through vesting by reason of tax arrears remedies available to the City;
- Real Property acquired by the City through a leasing arrangement (refer to Corporate Policy and Procedure – Leases).

This policy does not apply to the following types of Disposals:

- the sale of lands for municipal tax arrears purposes, other than

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those lands forwarded to Realty Services for Disposal under the terms, conditions and processes outlined herein;

- encroachments on City property (refer to the Encroachments By-law).

Definitions

For the purposes of this policy:

“Acquisition” means the obtaining of Real Property through purchase, lease, transfer from a higher level of government, dedication, donation, expropriation, easements, and licences or any other method deemed appropriate by the City in acquiring interests in property.

“City” means the Corporation of the City of Mississauga.

“Disposal” means the sale, exchange, lease of 21 years or more, or other disposition of the City’s interest in Real Property (excluding easement rights).

“Donation” means a voluntary gift of Real Property, given without compensation or consideration.

“Expropriation” means the Acquisition of land in accordance with the Expropriations Act of Ontario.

“Market Value” means the highest price a willing buyer would pay and a willing seller would accept, both parties being fully informed, and the property being marketed for a reasonable period of time.

“Real Property” means land and all buildings and structures constructed thereon, as well as moveable buildings and structures.

“Real Property Transactions” are transactions including the sale, purchase, lease, license, permit, or administrative actions

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performed for the purposes of managing property.

“Surplus Property” means municipally-owned Real Property that has been declared surplus to the City’s requirements, by resolution, at an open meeting of Council.

LEGISLATIVE REQUIREMENTS

All Real Property Transactions are to be conducted in accordance with applicable federal and provincial legislation. The Manager of Realty Services, or his/her designate, is responsible for ensuring that all applicable legislative requirements have been met.

ADMINISTRATION

This policy is administered by Realty Services, Facilities and Property Management, Corporate Services Department.

Interpretation of Policy

In the interpretation of this policy, it is the intent of the City to act at all times in the best interest of the general public, with a view to transparency and fairness of process. Where the interpretation by Realty Services is disputed, Realty Services will be guided by a decision rendered by the City Solicitor.

REAL PROPERTY MANAGEMENT PRINCIPLES AND OBJECTIVES

The City bases its decisions with respect to Real Property on the principles of:

- Fiscal Accountability
- Consistency with Corporate Objectives
- Sustainability
- Social Responsibility
- Transparency

Fiscal Accountability

The principle of fiscal accountability means that:

- The City will endeavour to acquire, maintain, preserve, dispose of and otherwise manage Real Property assets to the maximum long term economic advantage of the City.

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- The City will endeavour to retain and maintain Real Property, only when the Real Property interest:
 - has adequate returns in terms of money or amenity;
 - is not easily replaced with a more efficient interest;
 - can be operated within existing budget parameters; and
 - adequately fulfills the function for which it was acquired;
 or
 - has been identified as having “strategic hold” value for future use.
- The City will endeavour to minimize costs while realizing revenue from the disposal of non-essential, under-utilized properties.
- The City will obtain the best value when acquiring Real Property, giving due consideration to Market Value, and to entitlements under the Expropriations Act, where applicable.
- The City will dispose of Real Property on the basis of Market Value, unless otherwise approved by Council.

Consistency with Corporate Objectives

The principle of consistency with Corporate objectives means that the City will acquire, retain, maintain, renovate, and improve properties only when those properties clearly align with the goals and objectives of the City’s Strategic Plan, Capital Budget, and departmental approved business plans related to the provision of City-mandated programs. City-mandated programs are services, products, or facilities which are owned, operated, or purchased in fulfillment of City objectives and delivered to the public.

Sustainability

The principle of sustainability means that the City will endeavour to retain Real Property only when:

- returns in terms of money/amenity are cost neutral or better;
- service need is constant or growing; and
- the condition of the Real Property is such that it can be used and maintained on a low-maintenance and low-risk basis.

Social Responsibility

The principle of social responsibility means that:

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- The City has an inherent duty to provide service and support, where there is no other viable service provider, and where there is a clearly articulated City desire to fill a need, or to foster and promote programs of inclusion and accessibility. The City's social responsibility may form the basis for Real Property Transactions of a nature other than Market Value, provided they are ancillary to Council-approved programs.
- The City will endeavour to provide safe, healthy and accessible facilities for occupants.
- The City will endeavour to protect and preserve the environmental value and/or cultural heritage of the property.

Transparency

The principle of transparency means that:

- The City is committed to conducting consistent, transparent, and equitable processes in acquiring and disposing of Real Property.
- The City's Real Property is managed along clearly defined lines of delegated authorities and levels of accountability, with semi-annual reporting to Council.
- Risk is managed responsibly, and Council is informed as appropriate.

ACQUISITIONS

Responsibility for Acquisitions

The Manager of Realty Services is responsible for Real Property Acquisitions, and all Acquisitions of Real Property interests are to be undertaken by Realty Services staff. Realty Services staff will conduct their responsibilities in accordance with the Real Property Management Principles and Objectives, and the Acquisition Considerations outlined in this policy. Real Property Transactions will be executed in accordance with the Real Estate Delegation of Authority By-law.

ACQUISITION PROCESS

Realty Services staff will initiate an Acquisition process upon receipt of a request from any City department. All such requests should be supported by a departmental needs assessment setting

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out the rationale for the Acquisition, or a resolution of Council, or proof of approval through the current or capital budget process. A budget for the program or project should be identified, where applicable, inclusive of the cost to acquire the necessary property component and setting out the operational budget impacts prior to Realty Services conducting the Acquisition. Where Council has approved the issuance of a debt instrument to finance the Acquisition of Real Property, the terms and conditions of the debt instrument will be determined by the Finance Division.

Realty Services will investigate the market to determine suitable alternatives to meet the end user's needs. The final decision on the site rests with the end user department.

Assessment of Property

Before acquiring any Real Property, Realty Services will co-ordinate an assessment by appropriate staff as to the property's physical and environmental condition, cultural heritage, existing restrictions, encumbrances, liabilities, tax implications or any other important characteristic which may impact on value or use.

Appraisal

All Acquisitions in excess of \$100,000 must be accompanied by an independent current Market Value appraisal. The Manager of Realty Services may, at his or her discretion, obtain an appraisal of properties valued at less than \$100,000. The said appraisal will be based upon the "highest and best use" of the property.

Agreement

Upon selection of a site by an end user department and successful negotiations, Realty Services shall instruct the Legal Services Division to prepare an appropriate agreement and conclude the necessary transaction. Once an agreement has been executed by the other party, the transaction will be approved and executed according to the Real Estate Delegation of Authority By-law. Where Council approval is required, the transaction may be considered at a closed session of Council. Refer to Corporate Policy and Procedure – Matters Considered In Camera for more

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information. When the agreement has been fully executed, it is transferred to the Legal Services Division for completion of the transaction.

Land Inventory

The City will maintain a public register which lists all of the Real Property owned by the municipality. The following classes of Real Property are not listed in the public register:

- highways and roads;
- open road allowances;
- stopped up highways and roads;
- reserves of 0.3 metres (1 foot) or less in width;
- easements.

ACQUISITION CONSIDERATIONS

Real Property Acquisitions will be conducted in consideration of the following:

Acquisition Required For Municipal Purposes

Real Property Acquisitions are restricted to Acquisition of land and interests which are required for municipal purposes only, and in support of Council approved programs, projects and policies.

Acquisition at Market Value

Acquisitions are Market Value based. Realty Services staff will at all times acquire Real Property at the lowest possible negotiated cost, and greatest economic advantage to the City. When the Acquisition is part of an unsolicited purchase in support of a City-mandated program (e.g. for a road widening) land may be acquired on the basis of Market Value and entitlements, as defined by the *Expropriations Act*.

Environmental Assessment

If an environmental assessment is required under the *Environmental Assessment Act* the City may enter into an agreement which is conditional on the approval of the environmental assessment.

Environmental Audit

The Manager of Realty Services, in conjunction with

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environmental staff, may require that Real Property acquired, regardless of the method of Acquisition, be subject to an environmental investigation which must be completed prior to completion of the transaction. All such audits are to be completed in accordance with any applicable Ministry standards.

Heritage Properties

When acquiring Real Property that may have a heritage designation or historical value, a comprehensive analysis of the property shall be conducted. The analysis will include:

- identification of the heritage designation or historical value of the property, and how the heritage attributes will be conserved or mitigated due to development of the property;
- confirmation of the City program(s) to be implemented at the property;
- identification of the desired long-term use of the property;
- assessment of the impact on the City of the operational costs of the property; and,
- development of an asset management plan, which forecasts the capital renewal and re-investment requirements, to preserve the property, including actual or potential funding sources.

METHODS OF ACQUISITION

Real Property interests may be acquired through any of the following methods:

- negotiated agreements;
- land exchanges;
- charitable Donations;
- Expropriation;
- transfers from another level of government;
- competitive bid request methodology, in accordance with criteria established by the Manager of Realty Services with the assistance of the Manager of Materiel Management.

Negotiation

Negotiation is the preferred method of obtaining Real Property.

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Land Exchanges	When an Acquisition is pursued in support of Council approved programs, projects and policies and it is determined that an exchange of City owned Real Property is in the best interests of the City, negotiations shall be initiated based on the Market Value of the respective Real Properties, pursuant to this policy.
Charitable Donations	<p>The City may accept a Donation of Real Property if an appropriate municipal purpose has been identified for the property and upon City Council's approval. Prior to the acceptance and execution of all necessary agreements related to a property Donation, an analysis to determine the condition of the gift, existing restrictions or encumbrances, assumption of liabilities or any tax implications shall be carried out. When a Donation is accepted, Realty Services will instruct Legal Services to prepare an appropriate agreement and conclude the transaction. Once such donated property becomes City property, it can be held, leased, licensed or disposed of at the discretion of the City.</p> <p>Realty Services staff will advise the Director of Finance & Treasurer, who is responsible for the issuance of charitable Donation tax receipts. A charitable Donation tax receipt may be issued in the amount of the appraised value of donated property as may be determined by an independent appraiser.</p>
Expropriation	<p>The City has the authority to expropriate land in accordance with the provisions of the <i>Expropriations Act</i>. Expropriation may be used where project requirements must be met in a timely manner or where negotiation has failed.</p> <p>The Mayor and Ward Councillor will be informed of any contemplated expropriations prior to the report recommending approval to Give Notice of Application to expropriate is brought to Council.</p>
Transfers from Another Level of Government	The City may acquire Real Property as the result of a transfer of

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jurisdictional authority from one level of government to another (e.g. transfer of highways, boat launches etc.).

Prior to accepting lands from other levels of Government or agencies, the City will first investigate the property to be transferred, its associated encumbrances or environmental liabilities and if necessary, decline the transfer if the risk is deemed to be too great.

DISPOSAL OF PROPERTY

Responsibility for Disposal of Properties

The Manager of Realty Services is responsible for Real Property dispositions, including the selection of the appropriate Disposal method for the property, and all Disposals of Real Property are to be undertaken by Realty Services staff. Realty Services staff will conduct their responsibilities in accordance with the Real Property Management Principles and Objectives, and the Disposal Considerations outlined in this policy. Real Property Transactions will be executed in accordance with the Real Estate Delegation of Authority By-law.

DISPOSAL PROCESS

Realty Services staff, in consultation with City departments, will identify potential properties for Disposal and:

- ensure that the property is declared surplus;
- initiate an appraisal to estimate the property's Market Value;
- initiate an environmental assessment and remediation as may be required.

Declaration of Property as Surplus Property

Real Property may not be disposed of unless it has been declared Surplus to the requirements of the City in a report to City Council which will include notice of the City's intention to dispose of the surplus property and the method of disposal. Note: declaration of Surplus Property does not apply to easement interests, including easements to be transferred to the Region of Peel under the existing Easement Protocol Agreement, or one foot reserves. Public highways that are being stopped up and closed for the

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purposes of disposal may be declared Surplus Property in the same report at which City Council formally approves the public highway being stopped up and closed by by-law.

Prior to a declaration of Surplus Property, clearances to dispose of the property are obtained from all appropriate City departments and may include circulation to several outside agencies such as Boards of Education, Conservation Authorities, the Regional Municipality of Peel, the Government of Canada, the Government of Ontario, Enersource Mississauga Hydro Inc. and adjacent land owners.

Notice of Sale of Real Property

Notice of the proposed sale of real property that has been declared as surplus to the requirements of the City will be posted in accordance with the City's Notice By-law.

Status Report on City Surplus Property

Realty Services will prepare an annual information report to City Council listing all properties that have been declared surplus previously by City Council and the status of each.

Appraisals of Surplus Property

All Disposals will be subject to an appraisal of value except:

- subject to the discretion of the Manager of Realty Services, sales involving the following classes of property:
 - reserves of 0.3 metres (1 foot) or less in width;
 - stopped up highways and walkways;
 - landlocked properties if being sold to an abutting owner;
 - property acquired under Section 42 of the Expropriations Act, if being sold to an owner from whom the land was taken;
- abandoned cemeteries
- sales to public bodies (Boards of Education, the Regional Municipality of Peel, Enersource Mississauga, Ontario Hydro, Conservation Authorities, and the Provincial and Federal Government);
- sales to private bodies where the deemed value of the Surplus

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Property is less than \$50,000 as determined by the Manager of Realty Services.

Priority of Offerings

The City shall have the right to convey the Surplus Property at market value to the party having the greatest priority. For the purpose of assigning priorities, the order shall be as follows:

1. Federal Government
2. Provincial Government
3. Regional Municipality
4. Local School Boards
5. Recognized Authorities

Multiple Offers

In the event of multiple offers on the Surplus Property, each of the offerors will be advised that there are multiple offers. Each offeror will be given the opportunity to revise their offer within a set amount of time. At the end of the set amount of time, the City will consider the offers. The offer providing the most advantageous terms with the highest value will be recommended for acceptance.

Agreement of Purchase and Sale

When an acceptable offer for the Surplus Property has been received, Realty Services instructs Legal Services to prepare an agreement of purchase and sale.

Once an agreement has been executed by the purchaser, the transaction will be approved and executed according to the Real Estate Delegation of Authority By-law. Where Council approval is required, the transaction may be considered at a closed session of Council. Refer to Corporate Policy and Procedure – Matters Considered In Camera for more information.

When the agreement has been executed by the City, it is transferred to the Legal Services Division for completion of the transaction.

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Mortgages

Where authority to grant a mortgage is permitted under the *Municipal Act, 2001*, as amended, or under the regulation enacted there under, and where Council approves the granting of a mortgage, the City may take back a mortgage on the sale of City property. The terms and interest rate included in the mortgage instrument will be determined by Realty Services in consultation with the Finance Division and identified in a Corporate Report to Council.

Cost of Disposal of Surplus Property

All applicable fees and charges recoverable under the City's fees and charges by-laws shall be recovered from the purchaser on or before the closing date. All other reasonable fees, costs, and expenses incurred by the City, even if the property is sold at a nominal value, shall be recovered from the purchaser on or before the closing date, unless the sale was initiated by the City and the costs have been waived by the approver of the transaction.

Proceeds from Disposal of Surplus Property

Proceeds from the Disposal of Surplus Property will be credited to one of the following accounts:

- Capital Reserve Fund;
- a departmental account from where the original acquisition of the property was funded; or
- as otherwise directed by Council.

DISPOSAL CONSIDERATIONS

The Disposal of Real Property will be carried out with consideration for the following:

Market Value

All Disposals of Real Property must be at least at 90 per cent of Market Value unless an exception is provided in this policy, and Council has approved the transaction.

Reports to Council recommending Disposals at less than 90 per cent of Market Value must:

- clearly state the Market Value of the Surplus Property to be

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transferred and not realized and the reasons for such a decision;

- identify the purchaser;
- in the event of a lease of 21 years or more, fully disclose all important or financial terms and conditions therein.

Transfers to Another Level of Government

Where an offer is received from another level of government, board or authority and the City disagrees with the Market Value determined by the other level of government, the City may agree to either:

- elect to have the Market Value estimated by a third party appraisal, then average the two closest values, and amend the offers accordingly; or
- start negotiating with the next purchaser, in priority order:
 1. Federal Government
 2. Provincial Government
 3. Regional Municipality
 4. Local School Boards
 5. Recognized Authorities

Disposal of Land Acquired through Gratuitous Dedication or Donation

Where the City has acquired Real Property through a gratuitous dedication as a condition of a development application, or through a Donation, and the Real Property becomes Surplus Property, the City shall consider the following options:

- a potential transfer to the another level of government, local school board or recognized authority; or
- re-conveyance to the owner, or successor in title, who conveyed the land gratuitously, provided all costs to recover the lands are borne by the owner; or
- the Disposal of the Surplus Property at Market Value.

The City will not re-convey Surplus Property gratuitously for the purposes of development, redevelopment or resale.

Environmental Audit

The Manager of Realty Services may require an environmental

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site audit prior to property disposition, to ensure that there is no liability to the City in disposing of the property. Examples of situations which may warrant such audits include, but are not limited to:

- the previous use was of an industrial nature;
- there is proximity to other known environmentally sensitive and discharging entities (gas stations, rail lines);
- a title search indicates the need for one from prior use; or
- there are other properties in the vicinity that have registered environmental issues.

Natural Areas

Natural or environmentally sensitive areas identified by the City as being worthy of protection will be transferred exclusively to appropriate organizations, such as Conservation Authorities or other levels of government. These sensitive lands will be identified through the Planning and Building Department and the Community Services Department.

Public Highways

Any public highway that is stopped up, closed, and declared surplus shall be offered for sale at Market Value.

The entire portion of the public highway should be sold at one time so as not to leave the City owning portions of the closed public highway. Should one of the adjacent owners choose not to purchase the closed public highway, it may be offered in whole to the other adjacent owner at the same or higher price. Should neither owner wish to purchase the closed road allowance, the City may offer it to any other interested purchaser.

In the event the closed road is of sufficient size to be considered a viable property on its own, the City shall have the option, in its sole discretion, of marketing the property as a stand alone property with no obligation to offer it to the adjacent owners, however, notice will be provided to the adjacent owner(s) that the property is to be placed for sale on the open market.

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Sale of Property to City Staff/Elected Officials

Surplus Property may be sold to City employees or elected officials, or to members of their families, provided the requirements of all by-laws, policies and procedures regarding the sale of Surplus Property are satisfied, and provided the sale is approved by Council. The sale of all Surplus Property shall require written confirmation by the purchaser indicating whether the purchaser is, or is not, an employee or elected official of the City, or a member of their family; and whether any person having a controlling interest in an organization acquiring Surplus Property is an employee or elected official of the City.

Sale of Heritage Property

The agreement of sale for the heritage property must contain any necessary special conditions to preserve its heritage status including, but not limited to, a heritage easement.

Easements

The City may grant an easement interest:

- if the easement is considered appropriate to the relevant City department; and
- if the granting of the easement does not render the retained City land no longer viable for the use for which the land was obtained; and
- if the granting of the easement does not render the retained City land subservient to the easement interest; and

Easement interests are granted at Market Value, in General, however, the City will retain the right to grant easements gratuitously to another level of government, if it is determined that the location of the easement has limited or no impact on the future value or future City development of the lands over which the easement is sought. Notwithstanding the above noted policy respecting the granting of easement interests, easements transferred to the Region of Peel are governed by the Easement Protocol Agreement (By-law 0296-2007).

METHODS OF DISPOSAL

The Manager of Realty Services will determine the best means of

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Disposal of Surplus Property based upon criteria such as value, competition, property type and market conditions. The method of Disposal will be recommended at the time the property is officially declared surplus, and may include:

- competitive bid process – offered by public bid process in accordance with criteria established by the Manager of Realty Services with the assistance of the Manager of Materiel Management;
- direct sale to a specific party – if land locked or only one possible purchaser;
- land exchange – lands to be exchanged for other lands deemed suitable or necessary for the City at the same or higher value, unless otherwise approved by Council;
- real estate multiple listing service – listed with local real estate Broker having the appropriate expertise.

All Surplus Property will be posted on the City's website for notice and information purposes in accordance with the City's Notice By-law

LEASES, LICENCES, AND MANAGEMENT AGREEMENTS

When City property is not required for immediate use but may be required to meet the City's long term needs, the City may enter into a lease, licence, or management agreement allowing the temporary use of the property by another party. Clearances from all affected City departments are required to ensure that there are no municipal needs prior to the lands being leased.

The Manager of Realty Services is responsible for leases, licences and management agreements, and all such transactions are to be undertaken by Realty Services staff. Realty Services staff will conduct their responsibilities in accordance with the Real Property Management Principles and Objectives outlined in this policy.

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Priority	<p>Available Real Property is limited and therefore priority is given to service clubs, groups affiliated with the City and charitable organizations funded by Peel United Way. Prior to entering into a lease, licence or management agreement, Realty Services will contact City departments to determine whether or not a community group can utilize the space being considered. In assessing groups, consideration is given to the:</p> <ul style="list-style-type: none"> • number of years in operation; • area in which the group provides services; • scope, magnitude and types of services offered; • ability of the group to operate without financial assistance from the City, both in the short and long terms; • total costs and benefits to the City in assisting the group; and • degree to which the group participates in commercially oriented activities.
Method of Securing a Tenant	<p>Realty Services staff shall determine the appropriate method of securing a tenant, which may include a public call for bids via tender or proposal, using a realtor, or negotiating with a specific tenant.</p>
Lease to City Employees / Elected Officials	<p>City employees and elected officials may not lease City property unless the City Manager's approval has been received prior to submitting the offer to lease.</p>
Agreement	<p>All tenants or licensees of City property will be required to execute an agreement prepared by Legal Services. Any additional licenses, permits or approvals which may be required for the facility's operation must be obtained by the tenant or licensee before the agreement can be approved.</p> <p>Management and Operation Agreements require the groups to be responsible for day to day operational expenses, including custodial and garbage removal services, utility charges and minor repairs. Recreation staff maintain the grounds and Facility and</p>

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Property Management staff maintain the facilities.

Agreements at Market Value

Lease, license, or management agreements are generally entered into at Market Value rent. A nominal rent (\$2.00) or a reduced rent may be applied when:

- the agreement is with another level of government; or
- a reciprocal agreement has been entered into by the City, such as an agreement with a school board; or
- the agreement is with a not-for-profit organization that actively provides services which supplement City services.

Realty Services will consider the potential impact on the heritage nature of the structure, as well as any capital costs to facilitate the occupancy by the group before entering into any agreements at nominal value. Groups which occupy space at nominal rents and which do not fully utilize the space may be required to share the space with another group.

PRIVATE BUILDINGS ON PUBLIC LANDS

No private individual, or organization, may erect and own a permanent structure on public lands owned or leased by the City of Mississauga. However the City may entertain proposals for public –private partnerships to erect a permanent structure on lands owned or leased by the City of Mississauga, provided any such proposal received is reviewed and evaluated by the appropriate department with respect to design and construction details, including the provision for ongoing lifecycle maintenance, to be approved by the Director of Facilities and Property Maintenance. All proposals will require the approval of City Council.

REFERENCE:

Res.98-95 – 1995 03 29
GC-08-03 – 2008 11 12 – Major revision, combined policy with Renting City Property and Private Buildings on Public Lands.

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LAST REVIEW DATE: April, 2008

CONTACT: For more information, contact Realty Services, Facilities and Property Management, Corporate Services Department.

Other Surplus Public Land Disposal Procedures and Opportunities for Affordable Housing

The Federal and Provincial Governments, Region of Peel and local school boards all have policies in place to regulate the disposal of surplus lands. The availability of these lands for affordable housing purposes varies by agency and disposition preferences.

Region of Peel

The Region of Peel disposes of its surplus lands in accordance with By-law 23-95 and the Regional Corporation's policy on *Land Acquisition* and *Land Inventory Management*. Surplus lands (where there is a general demand or market) are first offered to Regional Departments and the Regional Municipality of Peel Police Services Board. If no expression of interest has been received within a specified time frame the lands are then offered to:

- ☐ the area municipality
- ☐ local boards and/or other public bodies
- ☐ ministries and agents of the Government of Ontario

The Region, through its role as Service Manager, has the ability to express an interest in the property at market value for affordable housing purposes.

School Boards

The Dufferin Peel Catholic and Peel Public School Boards own considerable property in the city. When these school sites are no longer required for education purposes there is significant opportunity to re-purpose or redevelop these properties for a range of community services as well as affordable housing.

The disposition of surplus school sites is governed by the Education Act, Ontario Regulation 444/98. Under this legislation, the disposal procedure is prescribed and must be at fair market value. Prior to selling on the open market all Ontario school boards must first offer surplus land, by proposal to sell, to the following:

1. Other School Boards
2. Post-secondary institutions
3. The Crown in right of Ontario
4. Regional and local municipalities
5. The Crown in right of Canada

If no offers to purchase are obtained from these entities the Board will direct the Minister of Education to permit the sale of the property to other public or private entities.

Province of Ontario

Infrastructure Ontario (IO) is a Crown corporation of the Province of Ontario that is responsible for the disposal of surplus provincially-owned land. Any property within the Infrastructure Ontario portfolio that is no longer required for the delivery of government programs or services is circulated at the same time to provincial, federal and municipal levels of government, government agencies, and not-for-profit entities, to determine interest in acquiring the property for continued public use. If any of these bodies express an interest in the property, the property may be sold directly to them at market value without exposing it to the open market.

As of April 1, 2013, IO has included eligible non-profit organizations in the circulation of surplus government real estate for a purpose that would benefit communities. To gain access to the circulation, non-profit organizations must apply to the Ontario Nonprofit Network which is responsible for compiling a registry of non-profit organizations that meet established criteria. Eligible non-profit corporations may submit an offer to purchase surplus government property at market value prior to the property being placed on the open market for sale.

Government of Canada

The Government of Canada's Surplus Federal Real Property for Homelessness Initiative (SFRPHI) makes surplus federal real properties available to eligible recipients for projects to help prevent and reduce homelessness. If an organization or municipality elects to tap into the funding program, the fund finances the purchase of property from Canada Lands Corporation on their behalf, at market value. SFRPHI in turn re-sells the parcel to the applicant/funding recipient for a nominal price. Eligible investments can include investments in transitional, permanent supportive or longer-term housing and related support and emergency services.