



**The Corporation of the  
City of Sault Ste. Marie**

**C O U N C I L   R E P O R T**

September 2, 2025

TO: Mayor Matthew Shoemaker and Members of City Council

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DEPARTMENT: Community Development and Enterprise Services

RE: Access to Land Program

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**Purpose**

The purpose of this report is to seek Council approval of the Access to Land program and request authorization to issue Requests for Proposals (RFPs) for surplus City-owned lands and an RFP for a realtor to market the sale of the lands. This report also requests that Council declare the selected Round 1 properties as surplus for the purposes of this program and authorize spending of up to \$200,000 of Housing Accelerator Fund (HAF) funding for Rounds 1 and 2.

**Background**

On December 13, 2023, Council endorsed the Sault Ste. Marie Housing Action Plan 2023-2028 (HAP), which describes the City-led strategies and actions that will facilitate an increase in housing supply and achieve the provincially assigned housing target. Action 4 of the HAP calls for the City to encourage infill residential development within the Urban Settlement Area by selling/granting surplus City-owned land with residential development potential, in some cases, at no or low cost to developers for the construction of housing.

On January 27, 2025, the City of Sault Ste. Marie was awarded \$8.6M to incentivize housing through the Housing Accelerator Fund (HAF). As part of the City's HAF application, an initiative to provide "Access to Land" was included, which matches Action 4 of the HAP.

**Analysis**

The Access to Land program is intended to accelerate the divestment of municipal lands and prioritize their development for housing (both affordable and market-rate). By making surplus land available, potentially at below market cost, the Access to Land program aims to:

- Reduce land acquisition costs for the development of housing;
- Increase the overall housing supply in the City;
- Encourage infill residential development; and
- Leverage surplus or underutilized municipal lands.

In Quarter 1 2025, Planning staff conducted a preliminary assessment of municipally owned properties that are currently unused and may be suitable for housing development. This process involved a Geographic Information System (GIS) analysis to evaluate site conditions, constraints, development potential and readiness, and access to amenities and transit. Based on these factors, all vacant City-owned properties were given a preliminary ranking, indicating their overall potential for residential development.

***Round 1: Properties with Residential Potential and Few Constraints***

Ten of the higher-scoring properties were circulated by the Legal Department to the Engineering Division, Public Works, Building Division, Planning Division, PUC, and SSMRCA, requesting comments on the potential for residential development and to identify any potential encumbrances. This is in accordance with the City's Surplus Property By-law, being By-law 2022-142. Comments were reviewed in a Development Assistance Review Team (DART) meeting on April 11, 2025.

Based on the circulation results and discussions during the DART meeting, the following properties were selected for Round 1 of the program:

- 89/0/0 Hudson Street
- 84-94 Park Street
- 72 Corey Avenue

For further details on these properties, please see the attached Appendix A. For comments received for these properties, please see Appendix B.

It is anticipated that Request for Proposals for each of the Round 1 properties will be issued in early Quarter 4, 2025.

***Round 2: Properties Requiring Further Consideration***

Several other City-owned properties identified in the surplus land review have significant residential development potential but require further consideration; therefore, it is necessary for staff to investigate and potentially address any constraints before formally including these properties in the Access to Land program. The majority of these properties have not yet undergone the circulation process and a DART meeting. If any are deemed suitable and desirable for residential development through this process, they will be recommended to Council to be declared surplus for the purposes of Round 2 of this program.

It is anticipated that Round 2 properties will be brought forth to Council for consideration in Quarter 2, 2026.

***Round 3: Future Opportunities***

The overall supply of vacant City-owned lands that are suitable for residential development is somewhat limited. To maximize the impact of this program, staff

will examine parkland within the City and identify any opportunities to acquire and prepare lands for inclusion in this program.

#### *Parkland Analysis*

Staff will conduct a detailed analysis of existing municipal parklands to identify portions of parks that may be surplus to community needs and suitable for residential development. The analysis will consider factors such as park size, population in proximity to the park, nearby development potential, other nearby parks and their size, and levels of utilization (where data is available).

It is important to note that the City provides approximately 3.4 hectares of parkland per 1,000 persons in the urban area. Any park considered for partial residential development will be located in an area where the existing parkland supply exceeds this ratio.

Any Round 3 parkland properties identified through this process are anticipated to be brought forward to Council for consideration in Quarter 2, 2026. This process will include a public consultation component, recognizing that the divestment of parkland may not be well-received amongst neighbours and the general public.

#### *Acquisition of Land*

Staff will identify opportunities to acquire and prepare priority sites within the urban area of the City, particularly within the Strategic Development Areas for as-of-right development. This may involve the acquisition of vacant privately-owned lands, publicly owned surplus lands, or underutilized lands with strong redevelopment potential. This may also include opportunities to acquire lands that abut City-owned properties to increase their residential development potential. Furthermore, staff may develop strategies to integrate housing into non-residential buildings and new municipal buildings.

Any properties identified through this method are anticipated to be brought forward to Council in Quarter 1, 2026, or as future opportunities arise.

#### ***Access to Land Framework/Process***

Staff will bring forward recommendations to Council to declare any properties identified for this program as surplus. Once declared surplus, these lands will be appraised to determine their market value.

Where necessary and feasible, the City may conduct site preparation work on surplus municipal lands. This may include submitting rezoning applications to enable as-of-right residential development, undertaking various studies (such as geotechnical assessments), etc. Site preparation work qualifies as an eligible expense of the HAF.

The City is currently developing a process to dispose of surplus City-owned lands that are suitable for housing. This process includes developing:

- a standard RFP template;
- a method of marketing the properties;
- a proposal scoring matrix; and
- a sales agreement template with conditions, timelines on development, and a buy-back option.

Each of these elements will be customized for individual properties based on site-specific factors and the desired type of development.

#### *Request for Proposal*

The preferred method of divestment of surplus municipal land is through a competitive call for submissions. An RFP will be issued individually for each surplus property, requiring the proponent to outline their development experience, proposed development plan, commitment to affordability for any proposed affordable units, development schedule, and offer amount for the property. In the event that two or more surplus properties are adjacent and have not been merged, a single RFP will be issued covering all of them.

#### *Marketing*

RFPs will be issued and hosted on the City's website for at least 30 days (longer time frames will be provided for significant properties). The Planning Department maintains a voluntary housing stakeholder email list, and members will be notified of each RFP issuance.

It is also recommended that the City retain a real estate agent to assist with marketing these properties through a separate RFP process. This will ensure that they are listed on REALTOR.ca and the Multiple Listing Service (MLS), which will broaden the pool of prospective applicants. While real estate agents typically operate on a commission basis, the Access to Land Program may lead to properties being sold below market value; therefore, it is more practical to select a single agent through a competitive process to market all Access to Land properties, with commission structured as a flat rate based on the appraised value of each property.

#### *Evaluation Matrix*

Proposals will be assessed by a selection committee made up of City staff, using a scorecard based on target outcomes for the property. The committee will choose one submission to recommend to Council for sale.

The table below shows the recommended scoring criteria (weights may be adjusted based on property specifics):

Criteria	Considerations	Weight
Experience and References	Relevant experience, key team members, expertise in services outlined, past projects.	15%
Proposed Plan	Project understanding of scope, requirements and deliverables, number of residential units to be developed / appropriate density, future tax assessment generated for the municipality, development integrates with the surrounding neighbourhood, development conforms to zoning requirements, any additional value-added components, such as innovative building design, barrier-free units beyond the OBC minimum requirements, enhanced barrier-free design, green/energy efficient design.	35%
Affordability Commitment	Percentage of affordable units committed for 20 years, or further commitments to affordability (extended beyond the 20-year period, deeper affordability).	20%
Schedule	Timelines/Project Schedule Outline, Proponent to identify major work components with approach/steps to realize development. Those that propose unit starts within the HAF period will score higher.	20%
Offer Amount	Amount the proponent is willing to pay for the property.	10%

*Terms and Conditions of Sale*

All sales of City-owned surplus land will be subject to a public hearing and approval by Council and follow the process as set out in the City’s Surplus Property By-law, 2022-142. Once the sale is approved, the City and the successful applicant will sign a detailed sales agreement with conditions/timelines on development. The successful applicant will be responsible for starting and finishing construction within the agreed-upon timeframe in the sales agreement.

The sales agreement will include a buy-back clause to ensure the land is used for its intended purpose. The City reserves the right to initiate a buy-back process if:

- the applicant fails to provide housing as specified in their proposal;
- the applicant ceases to operate;
- the applicant defaults on any loan secured on the property;
- the applicant attempts to transfer the property to another entity prior to developing housing; or
- any other circumstance specified in the sales agreement.

Applicants will be responsible for covering all closing costs associated with the land transfer.

*Declaring Round 1 Properties as Surplus*

Staff are supportive of selling the above-mentioned Round 1 properties for residential or mixed-use development through the competitive Access to Land Program process (see Appendix B).

For 89/0/0 Hudson Street, it is appropriate to declare these parcels as surplus to the City's needs and to consolidate the two parcels zoned residential into a single parcel.

For 84-94 Park Street, it is appropriate to declare these properties as surplus to the City's needs. Further, it is recommended that Council pass a Deeming By-law to have the lots removed from subdivision plan PL525 and become one lot pursuant to the *Planning Act*.

While 72 Corey Avenue has previously been declared surplus by Council, it is appropriate to have this property formally declared surplus under the Access to Land Program, and the former by-law should be repealed. Upon approval of the program, staff will initiate a rezoning from PR to R2 to be heard at either the October 14, 2025 or November 3, 2025 Council meeting.

**Financial Implications**

Through the Access to Land Program, the City anticipates increased tax revenue from residential development on currently vacant lands.

Rounds 1 and 2 of the Access to Land program are expected to require approximately \$200,000 for site preparation purposes. This includes costs associated with land appraisals, marketing, and technical reports on encumbered properties.

Eligible expenses of the Housing Accelerator Fund (HAF) include land acquisitions, site preparation, and servicing. Council has allocated \$3,345,000 of HAF funds over three years to the Housing CIP, with \$3,117,669 remaining for non-CIP housing initiatives and a HAF contingency. Consequently, Council is being asked to authorize a total of \$200,000 of non-CIP HAF funding for Rounds 1 and 2 of the program. Should the \$200,000 of authorized funding become exhausted, staff will return to Council to request the allocation of additional HAF funds.

While not currently proposed, HAF funding may also be used to cover the revenue loss by selling lands below the appraised value, as outlined in the City's approved HAF Action Plan.

Opportunities for land acquisition related to this program will be presented to Council as they arise. These acquisitions may request HAF funds be used to support the purchase.

While revenue generated from selling surplus lands is typically allocated to a reserve fund for future use, the City may benefit from using those funds to acquire privately owned lands for Round 3 of the Access to Land Program, the Housing Community Improvement Plan, or another initiative that Council deems appropriate. Staff will provide further recommendations to Council at a later date.

### **Strategic Plan / Policy Impact / Climate Impact**

**Maintaining existing infrastructure:** The Access to Land Program encourages infill development and residential intensification within the urban area of the City, thus promoting more efficient use of existing municipal infrastructure and services.

**Social equity:** Adequate and affordable housing is a key quality of life indicator. This program promotes the construction of new affordable housing units, as well as an increase in the overall housing supply; thereby providing more housing options to a broader range of income levels.

**Vibrant Downtown:** This program encourages infill development on surplus municipal lands within the First Neighbourhoods, which includes the Downtown. An increase in residential density in the Downtown can help create a vibrant, complete community where people want to live and work.

The Access to Land proposal evaluation scorecard will award additional points for energy efficiency above and beyond the Ontario Building Code. This supports the City's GHG Reduction Plan.

### **Recommendation**

It is therefore recommended that Council take the following action:

Resolved that the report of the Junior Planner and the Assistant City Solicitor / Senior Litigation Counsel dated September 2, 2025 concerning the Access to Land Program be received and that Council:

- 1) Approve the Access to Land Program, and authorize staff to:
  - a) bring forth requests to Council to declare properties as surplus for the purposes of this program;
  - b) conduct further investigations into City-owned vacant properties;
  - c) assess current parkland and explore potential land acquisitions for inclusion in this program;
  - d) develop a Request for Proposal (RFP) template, evaluation matrix, and sales agreement for properties to be sold through this program, and issue RFPs accordingly; and
  - e) issue an RFP for a realtor to market the surplus properties to be sold under this program.

- 2) That Council declare the following City-owned properties as surplus to the City's needs and authorize the disposition of the said properties in accordance with the City's policy for the disposition of land, specifically:
  - a) PIN 31578-0239(LT) LT 14-18 PL 1850 ST. MARY'S; PT LT 13 PL 1850 ST. MARY'S; PT LANE PL 1850 ST. MARY'S CLOSED BY T192883 PT 9 1R4122 & PT 1 1R4447; SAULT STE. MARIE, being 89 Hudson Street; and PIN 31578-0278(LT) PT LT 17 N/S PORTAGE, PT LT 18 N/S PORTAGE TOWN PLOT OF ST. MARY'S; LT 19-22 PL 1850 ST. MARY'S; PT LANE PL 1850 ST. MARY'S CLOSED BY T192883 BEING PT 1 1R11724; SAULT STE. MARIE, being 0 Hudson Street; and PIN 31578-0279(LT) PT LT 17 N/S PORTAGE AND PT LT 18 N/S PORTAGE ST PL TOWN PLOT OF ST. MARY'S; PT LT 1-4 PL 1850 ST. MARY'S; PT LANE PL 1850 ST. MARY'S CLOSED BY T192883; PT LT 10-13 PL 1850 ST. MARY'S PT 5-9 & 11-13 1R4566 EXCEPT PT 1 1R11724; SAULT STE. MARIE; being also 0 Hudson Street, specifically the three parcels outlined on Appendix A (Page 2) of this report;
  - b) PIN 31494-0098(LT) LT 15-17 PL 525 RANKIN LOCATION; S/T Q530; SAULT STE. MARIE, being 84-94 Park Street, specifically the three parcels outlined on Appendix A (Page 4) of this report; and
  - c) PIN 31504-0364(LT) WIBER ST PL H436 TARENTORUS N/S COREY AV PL H436; SAULT STE. MARIE, being 72 Corey Avenue, specifically the parcel outlined on Appendix A (Page 6) of this report.
- 3) That a Deeming By-law be passed to have lots 84-94 Park Street removed from Subdivision Plan PL525 and become one lot pursuant to the *Planning Act*.
- 4) Further that Council authorize staff to spend up to \$200,000 of Housing Accelerator Fund funding for the necessary expenses for the properties designated for Rounds 1 and 2 of the program.

The relevant By-laws 2025-129, 2025-130, 2025-131, 2025-132, 2025-133, and 2025-134 are listed under Item 12 of the Agenda and will be read with all by-laws under that item.

Respectfully submitted,

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Access to Land Program

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