



STAFF REPORT
Economic Development

Title: 250 Lincoln Road Update and Next Steps
Report Number: CAO2026-003
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File: 240062
Attachments: Appendix 1: Property Location Map
Appendix 2. Evaluation of Exterior Uses
Ward No.: Ward 5

Recommendations:

1. That Council approve report CAO2026-003.
2. That Council direct staff to proceed with the planning and procurement processes for the development of 250 Lincoln Road for affordable housing, in accordance with the actions and timelines set out in Table 1 in this report.
3. That Council direct staff to engage with the public, affordable housing providers and community organizations to inform changes to the planning framework and Request for Expressions of Interest.
4. That Council direct staff to proceed with demolition of the existing structure at 250 Lincoln Road in spring 2026 to facilitate the development
5. That Council direct staff to consider possible interim use of the site as a publicly accessible green space, following demolition of the existing structure.

A. Executive Summary

In April 2025, the City purchased the former St. Columba Church property, located at 250 Lincoln Road (Appendix 1) with the intention of using the lands for the provision of affordable housing. Housing affordability remains a critical challenge for Waterloo residents and the lack of affordable housing options negatively impacts both individual and community health and wellbeing as well as economic growth and prosperity for the City as a whole.

To address housing affordability challenges, Council adopted an Affordable Housing Strategy in 2023. Use of existing municipally owned lands and the purchase of new lands for affordable housing are two actions in the Strategy (Actions 4.2.A and 4.2.B). The purchase and redevelopment of 250 Lincoln Road for affordable housing aligns

with the actions and broader goals of the Strategy by creating more housing supply and improving housing affordability and choice in close proximity to schools, transit, and commercial services. New housing on the site would also help the City achieve its Provincial housing targets and affordable housing target that 30% of all new housing units be affordable.

Through this report, staff seek Council's direction to proceed with the next steps to redevelop 250 Lincoln Road for affordable housing. These steps include: consulting with the public, housing providers and community groups; amending the planning framework to enable a development that makes efficient use of the lands; and releasing a Request for Expressions of Interest (REOI) for a not-for-profit organization or consortium to redevelop the site and ensure the units remain affordable over the long term. A more detailed summary of the proposed consultation, planning and procurement steps are outlined in Table 1.

While the property was initially considered for a potential interim community use as an arts hub, Council determined that an interim use of the building was not feasible due to accessibility issues that would require extensive capital renovations. Because of the limitations within the existing building and the anticipated cost for a temporary and short-term retrofit, it is recommended that the building be demolished to prepare the lands for the intended affordable housing development.

B. Financial Implications

In February 2025, Council approved report CAO2025-008, providing \$2,900,000 in funding for the 250 Lincoln Road property acquisition project. This funding was to cover property acquisition, required capital improvements, consultant fees, legal and closing costs, future demolition, and annual ongoing operating expenses.

Based on the intended future use to leverage the site for increased affordable housing, a portion of the funding required was received from the Housing Accelerator Fund (HAF) funding, as follows:

- 1) Council's Community Priority and Contingency Reserve – Affordable Housing Program - \$500,000 allocated as part of CORP2023-043
- 2) Housing Accelerator Fund - \$750,000 (as per report CAO2025-020.1). HAF funding can only be used to support the property acquisition for the purpose of delivering targeted affordable housing
- 3) City Land Sale Proceeds – \$1,650,000 from affordable housing contributions obtained from previous city-land sale proceeds

To date, a total of \$2,254,000 has been spent on the project for the property purchase and associated costs. The demolition of the building to prepare the land for future development is anticipated to cost approximately \$120,000. Additional costs will be

anticipated for studies, approvals as well as ongoing property maintenance. It is anticipated that this will be within the previously approved budget established by Council.

C. Technology Implications

There are no technology implications.

D. Link to Strategic Plan

(Strategic Priorities: Reconciliation, Equity, Accessibility, Diversity and Inclusion; Environmental Sustainability and Climate Action; Complete Community; Infrastructure and Transportation Systems; Innovation and Future-Ready)

(Guiding Principles: Equity and Inclusion; Sustainability; Integrity; Workplace Wellbeing; Community-centred; Operational Excellence)

Reconciliation, Equity, Accessibility, Diversity and Inclusion: The development of the site for affordable housing would advance READI strategic priority by helping to increase the supply and diversity of housing that is affordable to low- and moderate-income households, and by increasing the overall supply of housing in the City.

Environmental Sustainability and Climate Action: Any proposed REOI will seek to integrate terms with climate change mitigation considerations for both natural and built environments.

Complete Community: A proposed affordable housing project will directly advance a priority action in Waterloo's Affordable Housing Strategy to evaluate the feasibility of using City-owned lands for affordable housing and would support the City's affordable housing target and the achievement of its Housing Pledge of 16,000 new residential units by 2031.

E. Previous Reports on this Topic

- CAO2025-008 Property Acquisition – 250 Lincoln Rd.
- CAO2025-014 250 Lincoln Rd. (St. Columba) Purchase Agreement
- CAO2025-020 Lease Agreement for St. Columba Arts Space
- CAO2025-020.1 Lease Agreement for St. Columba Arts Space Supplementary



**St. Columba Church – Proposed Next Steps
CAO2026-003**

1.0 BACKGROUND

In April 2025, following the approval of staff report CAO2025-014, the City purchased 250 Lincoln Road from the St. Columba Church with the intent of facilitating a redevelopment of the lands for affordable housing (Appendix 1).

Using City-owned lands for affordable housing (including the purchase of lands for the purpose of creating affordable housing) are priority actions in the City's Affordable Housing Strategy, adopted by Council in March 2023. The use of City-owned lands for affordable housing has been shown to be an effective approach to increase the financial viability of housing construction – particularly for housing types that are not readily provided by the market - and to lower overall housing construction costs. Cost savings can be passed on to homeowners and renters, and affordability maintained over the long term or in perpetuity through a range of different planning tools, ownership models, and/or legal agreements with housing providers. Given current trade and tariff uncertainties and a softening housing market, the use of 250 Lincoln Road for affordable housing will help the City ensure that new affordable housing units continue to be built, bringing the City closer to its affordable housing target that 30% of all new housing units be affordable, and achieving its Provincial housing pledge.

Financial support for the purchase of 250 Lincoln Road came in part from the federal Housing Accelerator Fund (HAF). The HAF program, administered by the Canada Mortgage and Housing Corporation (CMHC), provides financial support to lower tier municipalities to address local housing affordability and supply challenges. The 250 Lincoln Road purchase aligns with one of the City's HAF initiatives that will involve reviewing and updating the planning framework for Places of Worship sites to enable their redevelopment as mixed-use and missing middle housing developments. Planning staff will be undertaking broader community engagement for the Places of Worship initiative in spring 2026 and are working to complete the project by June 30, 2026.

This report provides information about the 250 Lincoln Road property, outlines potential future uses and ownership models, and proposes next steps to enable development of the site for affordable housing.

2.0 PLANNING CONTEXT

The property at 250 Lincoln Road is 0.42 hectares (1.04 acres) and is situated within a residential neighborhood referred to as Lincoln Heights. The site is a corner lot with three street frontages (Lincoln Road, Mayfield Avenue, Quickfall Drive). The property was formerly utilized as an Anglican Church and currently contains the former church building, a parking lot and green space. It has good access to public transit and is located within 550 m of two GRT routes (Routes 29 and 202). The site is 450 m (~6 min walk) from a shopping plaza that contains a grocery store.

The property and surrounding neighbourhood are designated Low Density Residential (LDR) in the Official Plan which contemplates building heights up to 10 meters and densities up to 150 bedrooms per hectare. The designation enables development of a range of low-rise residential building types including townhouses, with unique sites to be zoned to permit low-rise apartment units. The site is zoned "Residential One (R1)" which permits a detached building with up to four units, and a maximum height of 13.5 m or four storeys as of right. A review and possible amendments to the Official Plan (if needed) and Zoning By-law are recommended to facilitate the development. The review would be informed by further public consultation (See Section 3), and any proposed amendments would require Council approval. Staff may consider securing a consultant to support the planning review and/or to carry out specific studies that may be needed to advance a development.

3.0 REQUEST FOR EXPRESSIONS OF INTEREST

Staff recommend that the lands be offered at low or no cost to a housing provider through a Request for Expression of Interest (REOI) process. The REOI and selection process would be similar to that which was used for the City-owned lands located at 2025 University Avenue East.

Staff recommend that the REOI seek a non-profit housing provider or consortium led by a non-profit housing provider to whom the City will either a) grant the land at no or nominal cost or b) provide the land through a long-term land lease. The REOI would seek development proposals that achieve the following objectives:

Objectives

1. Deliver housing that is affordable and attainable for the long term
2. Make efficient use of the lands while designing for livability and connection to the surrounding neighbourhood
3. Integrate sustainability and climate change mitigation and adaptation into building and site design, materials and construction, operation and maintenance
4. Design for safe, convenient and connected active and accessible travel to transit stops, active transportation routes, and nearby amenities
5. Support diversity and inclusion, social cohesion and community well-being.

Staff propose to work within the Provincial definition for “affordable”, which uses a combined income and market-based measure to determine housing prices and rents. According to the Province’s most current Affordable Housing Bulletin, housing units built today would meet the definition of affordable if the purchase price does not exceed \$418,000 or if the rent (for a one-bedroom apartment) does not exceed \$1,669 per month. It is anticipated that the City would seek proposals for which a minimum of 30% of the development is affordable and would include mechanisms to ensure long term affordability. Like the REOI process for 2025 University Ave E, staff would encourage proposals to maximize the percentage of affordable units (beyond the 30% minimum), plan for the balance of units to be attainable, and create units types that are in high demand and/or not readily provided by market housing providers.

Through the planning review and consultation process, staff will evaluate the potential for a ground floor community use that could benefit both the residents of the building as well as the local neighbourhood and broader community. Pending the approval of any necessary amendments to the planning framework (Official Plan and/or Zoning By-law) to permit such a use, a ground floor non-residential space could be included as a preference (but not necessarily a requirement) in the REOI.

As the owner of the property, the City can employ a range of tools to ensure that the site is developed in accordance with Council’s direction. These tools include establishing definitions and minimum requirements in the REOI, selecting a provider that has demonstrated in their proposal that they can deliver the required threshold of affordable units, and incorporating requirements into a purchase and sale agreement, lease agreement or through other legally binding agreements. Proponents would be required to demonstrate within their proposal how they will ensure that the units remain affordable and identify the breakdown of units by number of bedrooms, and level of affordability.

4.0 PUBLIC CONSULTATION

In the coming months, staff plan to consult with the public and interest groups to provide more information about the project and to gather input to inform the planning review/process and the development of the REOI document. Input will also be gathered from Regional staff and affordable housing providers to identify procurement approaches and REOI requirements that will ensure a successful development. Staff will consult with community groups to collect information about unit types and sizes that are in greatest demand, and that are not readily provided by market housing builders (e.g. affordable family-sized units, affordable units for multi-generational families, units for lower income seniors). Consultation will occur through various methods, including online through the EngageWR website and the hosting of at least one public meeting (in addition to the legislated formal public meeting requirements of the Planning Act).

5.0 INTERIM USE

In 2025, the property was assessed for its potential to support an interim arts hub. Council determined that this use was not feasible primarily due to accessibility issues that would require extensive capital renovations. Other temporary uses of the building,

such as a community centre or rentable space, are anticipated to require the same or similar accessibility renovations and would have the same budget impacts and therefore are not recommended by staff.

Staff have also explored several other potential interim outside uses of the lands, some of which have been suggested by members of the community through letters to staff and council. These include a tennis court, pickleball court, ice rink, community garden, playground and green space. In considering these uses, staff reviewed the amount of planning and coordination required, how quickly the use could be enabled, capital costs and operational impacts, and whether the use was already delivered through nearby facilities (Appendix 2). Based on this review, staff do not recommend use of the site for a temporary playing court, rink, garden or playground. A green space for passive recreational use could be contemplated subject to further evaluation. The viability of a green space would be impacted by the timing of the removal of the existing building and restoration works needed to make the site safe for public use (e.g. removal of demolition materials, regrading and sodding). Proposed timing for demolition and site restoration is outlined in Sections 6 and 7.

6.0 BUILDING DEMOLITION AND DECLARATION AS SURPLUS

Because of the limitations within the existing building and the anticipated cost for a temporary retrofit, staff recommend that the building be demolished to prepare the lands for development. Staff recommend that demolition be initiated in spring 2026 to take advantage of better weather which will help minimize disruptions to demolition work and will facilitate immediate site restoration including filling the foundation, leveling the land and resodding. The portion of the property impacted by the demolition would be fenced off during demolition to ensure public safety.

The City of Waterloo By-law 2013-02 “A By-law to Approve a Process for the Sale and Disposition of Land” requires that before selling any land, Council must declare by resolution at an open meeting that the property is surplus to its needs. Should sale of the land be the preferred course of action identified through the REOI process, staff will return to council with a recommendation that Council declare lands as surplus.

7.0 PROPOSED TIMELINE FOR NEXT STEPS

Table 1 outlines the anticipated steps that will be required to advance the project as well as a rough timeline. It should be noted that several factors could impact the timeline such as weather, responses to the REOI and planning approvals processes. Staff will aim to bring the project forward before the fall of 2026.

Table 1. Key Milestones and Timing

Key Milestones	Approximate Timeline
Council meeting (this report)	January 26, 2026
Launch City of Waterloo EngageWR page	February 2026
Public information meeting	March 2026

Key Milestones	Approximate Timeline
Issue Request for Expressions of Interest	March/April 2026
Submit application to amend Zoning By-law/Official Plan (if required)	April 2026
Demolition and site restoration	April/May 2026
Evaluate REOI proposals	May 2026
Public Notice of intention to declare lands surplus (if required)	May 2026
Council meeting to declare lands as surplus (if required)	May/June 2026
Council meeting to select preferred development option	June 2026
Council meeting to consider planning amendments (if required)	Target: June 2026 but exact date tbd

Appendix 1. Property Location Map.



Appendix 2. Evaluation of Interim Exterior Uses

Tennis/Pickleball: Based on the cost of installing courts at Bechtel Park, staff estimate that tennis and/or pickleball courts would require a capital investment of approximately \$500,000. These funds would be required to grade the property and install an appropriate playing surface, lights, and fencing. Mobilization of staff to construct the courts would require redirection of staff from current and planned projects.

Neighbourhood rink: When considering investments in new neighbourhood rinks, staff consider a number of criteria, including proximity to other rinks, emergency vehicle access, grading, and water access. Staff prioritize new rinks in areas that are not already well served. The Lincoln Heights neighbourhood has good access to rinks including a City-supported neighbourhood rink at Roselea Park which is about 450m (~5 minute walk) from 250 Lincoln Road and an indoor ice rink at Moses Springer which is located about 850m (~8-10 minute walk) from 250 Lincoln Road. Staff also note that some capital investment would be required for grading, installation of water access and tarps/boards and a staff convenor would be needed to train and coordinate neighbourhood volunteers. Construction of the rink would require staff to defer current and planned projects.

Community garden: When considering the feasibility of community gardens, staff evaluate level of neighbourhood interest (3-5 neighbourhood volunteers are typically required), soil condition, sun exposure, grading, drainage, access to water and proximity to other community gardens. Moderate capital (e.g. grading and water) and operational (building the gardens, staff convenor) investments would be required. Given the proposed timing for demolition and site restoration, the works required to establish a water access, and the short gardening season, staff don't anticipate that a community garden would be feasible for 2026.

Playground: Installation of playground equipment would have high capital and operations cost that would not be appropriate for a temporary site.

Passive park or green space: A passive park or green space such as a grassy area for unprogrammed recreational use could be established quickly and potentially within the existing project budget. Following building demolition, the site is proposed to be regraded and resodded. and these costs are already budgeted for as part of the St Columba project. Staff will further evaluate the feasibility of restoring the site to a level that could be used safely by the public as an interim green space.