

**PROPOSED METHOD OF DISPOSITION – (CAPITOL HILL) – WARD 07
(CLLR. DRUH FARRELL) FILE NO: 1129 & 1137 23 AV NW (JP)**

SUMMARY/ISSUE

Authorization to negotiate a sale by direct negotiation to the Accessible Housing Society.

PREVIOUS COUNCIL DIRECTION/POLICY

2016 March 21, Strategic Meeting of Council, Council received report C2016-0267, Affordable Housing Strategy Discussion and approved, in part, the disposition of leased land to the non-profit tenant, where not cost-prohibitive to The City or leaseholder.

1998 June 22, Council received a report on Corporate Strategies to Support the Provision of Low Income Rental Housing (CPS98-39) and approved, in part, The City's participation in the creation of partnerships to stimulate development of new affordable housing in Calgary.

ADMINISTRATION RECOMMENDATIONS:

The Land and Asset Strategy Committee recommend Council authorize:

1. The Recommendation as outlined in Attachment 2 and
2. Request that Attachment 4 be removed from this report prior to being forwarded to Council and that Attachment 4 remain confidential pursuant to Sections 23(1)(b), 24(1)(a), 24(1)(c), 24(1)(g) and 25(1)(b) of the *Freedom of Information and Protection of Privacy Act* and that Council consider Attachment 4 in camera if requested by Council; and
3. Request the Recommendations, Report and Attachments 1, 2, 3, and 5 remain confidential under Sections 23(1)(b), 24(1)(a), 24(1)(c), 24(1)(g) and 25(1)(b) of the *Freedom of Information and Protection of Privacy Act* until the report is published in the Council agenda.

RECOMMENDATION OF THE LAND AND ASSET STRATEGY COMMITTEE, DATED 2016 JULY 28:

That Council:

1. Approve Administration Recommendation 1 contained in Report LAS2016-69; and
2. Keep Attachment 4 confidential pursuant to Sections 23(1)(b), 24(1)(a), 24(1)(c), 24(1)(g) and 25(1)(b) of the *Freedom of Information and Protection of Privacy Act*.

INVESTIGATION

The Property is a 29,874.39 sq. ft. improved site located in the community of Capitol Hill and has been in City ownership since 1926. Since 1975, Accessible Housing Society has been leasing and operating at this location with a focus on providing housing for individuals with limited mobility and accessibility challenges.

The Property currently accommodates 11 residents most of whom have lived there for more than five years. Accessible Housing Society has submitted a development permit application to redevelop the Property from 11 residential units to 45 residential units to help meet the growing need for housing for individuals with physical challenges and to help build a sense of hope, strength and belonging within the community. This is proceeding through the approval process.

The proposed sale will allow Accessible Housing Society to leverage the Property and obtain financing required to redevelop the Property as well as other sites in their portfolio.

The City of Calgary Affordable Housing Strategy has six objectives. One of the

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objectives is to leverage City Lands. A direct sale would allow Accessible Housing Society to maximize the social return on this property.

IMPLICATIONS

General

The sale of the Property supports The City's Municipal Development Plan Policies that encourages access to adequate and affordable housing opportunities by ensuring that the residential planning framework supports the delivery of housing supply in a range of types and tenures to meet current and future community needs.

Social

The demand for accessible housing options throughout the City continues to exceed the supply. Thus, selling to non market housing providers will ensure that the Property continues to operate and provide the much needed space for individuals in need.

Environmental

The Property has been reviewed in accordance with The City of Calgary's Sales, Acquisitions and Leases Environmental (S.A.L.E.) Policy.

The Property is to be sold "as is" and the purchaser is to assume all responsibility and liability, including, without limitation, any environmental matters existing as of the Closing Date.

Economic (External)

No implications identified

BUSINESS PLAN/BUDGET IMPLICATIONS

The sale will be recorded in Real Estate & Development Services Operating Program 488 and net proceeds from the sale will be transferred to the Revolving Fund reserve and reallocated to other funds as required.

RISKS

Direct negotiations may generate opposition, however, this risk may be mitigated through transparency of the transaction requirements and intentions up front.

There is also a risk that should the Method of Disposition not be approved, additional accessible units may not be developed at this location.

Should the recommendation to sell directly to Accessible Housing Society be approved, The City will not recover the maximum sales price achievable, as the Property will not have been exposed to the open market.

VALUATION

The negotiated price of the Property was based on the book value, plus an administrative fee to cover Administration's costs.

ATTACHMENTS

1. Site Map
2. Recommendations
3. Summary of Additional Property Information
4. **Confidential as per Committee**
5. Alberta Corporation/Non-Profit Search