

NEW AFFORDABLE HOUSING DEVELOPMENT (ROSEDALE)- WARD 07 (CLLR FARRELL)

EXECUTIVE SUMMARY

A request for Council direction to proceed with development of up to 16 affordable housing units on eight (8) vacant City owned sites located adjacent to the sound attenuation wall in the 1600 blocks between 4A Street NW and 9 Street NW (Site Map, Attachment 1). The appropriate land use for these developments is already in place, and new units in Rosedale would contribute to The City's Municipal Development Plan (MDP) goal of incorporating affordable housing into all Calgary communities.

ADMINISTRATION RECOMMENDATION(S)

That the Land and Asset Strategy Committee recommend that Council:

1. Direct Administration to proceed with the development of affordable housing on the eight sites in the community of Rosedale; and
2. Approve a budget allocation of \$3.96 million in the Calgary Housing Capital Program 489, to be withdrawn from Municipal Sustainability Initiative (MSI) funding (\$2.77 million) and Pay As You Go (PAYG) funding (\$1.19 million).

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

That the Administration Recommendations contained in Report LAS2016-68 be approved.

Opposition to the Recommendations:

Opposed: S. Keating

PREVIOUS COUNCIL DIRECTION / POLICY

On 2016 June 28, Priorities and Finance Committee received the Corporate Affordable Housing Strategy and supported affordable housing as a Council priority.

On 2011 November 08, Council authorized the sale of eight (8) residential lots in the community of Rosedale. The method of disposition was proposed in three steps: 1) Invitation to Offer for a single purchase of all eight lots, 2) Request for Proposal to Non-Profit Organizations that have the mandate to do Affordable Housing with the option to purchase a minimum of four (4) lots, 3) Multiple Listing Service for remaining lots if non-profit organizations do not purchase all eight (8) lots.

On 2010 March 09, Land and Asset Strategy Committee referred Report LAS2010-03, Proposed Method of Disposition – (Rosedale) – Ward 7, back to the Administration for further consultation and return to the Land and Asset Strategy Committee at an indefinite future date.

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On 2007 June 11, Council approved Bylaw 43Z2007. This Direct Control land use bylaw is for all eight lots and follows the General Rules for Residential Districts as contained in Section 20 of Bylaw 2P80 but allows for secondary suites as a discretionary use.

On 2007 May 07, Council approved Bylaw 24P2006 “16 Avenue North Urban Corridor” Area Redevelopment Plan (ARP).

On 2006 June 12, Council endorsed the principles of LAS2006-78 Affordable Housing Strategic Financial Plan, which identified the purposes of the strategy to include optimizing limited municipal resources (cash and land) to maximize the number of new affordable housing units created and leveraging partnership funding from other levels of government as well as private, non-profit and philanthropic sources.

BACKGROUND

The need for affordable housing has remained constant at approximately 19% of all households over the past 20 years. In addition, approximately 4,000 households are on the Calgary Housing Company (CHC) wait list.

The City has committed to creating affordable and safe housing that meets the needs of Calgarians. Safe and appropriate affordable housing benefits the entire community – socially, economically and environmentally. The Calgary Housing Business Unit (Calgary Housing) is tasked with delivering affordable housing units and is guided by the principle:

To deliver housing solutions that foster complete communities and a vibrant city; that address the housing affordability gap; and that achieve social, environmental and economic excellence.

The eight identified parcels were acquired for the 16 Avenue North corridor upgrade and widening. Upon completion of the corridor upgrade, the lots were deemed surplus and identified in the 16 Avenue North Urban Corridor Area Redevelopment Plan (16th Ave ARP) as appropriate for residential redevelopment.

The 2012 Council authorized listing of the properties did not generate any sales from either private or non-market housing providers. In 2014, the parcels were identified as of interest to Calgary Housing. In March 2015, Calgary Housing began a feasibility analysis to assess the viability of developing City-owned units on the site. As part of that analysis, Calgary Housing piloted a new approach to community engagement, involving the Rosedale Community Association at the conceptual stage of the project, which is earlier in the process than the more typical development stage.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Rosedale is a community of primarily single-family dwellings with limited multi-family and rental opportunities. The eight Rosedale sites meet the most critical of the affordable housing location criteria as they are situated in proximity to three excellent transit routes (16th Avenue NW, 4th Street NW, 10th Street NW), blocks from Rosedale school and 1200 meters from a grocery store.

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These eight lots have a unique Direct Control Land Use DC43Z2007 (Attachment 2). This designation is based upon the RC-1 land use that covers most of the community of Rosedale, with the following unique allowances:

1. A secondary suite that does not exceed 70.0 square meters (753 ft²) is allowed as a discretionary accessory dwelling unit, and can be located on the second storey,
2. Building setback from the North property line cannot exceed 0.6 meters, and can be 0.0 meters,
3. Parcel coverage is a maximum of 75 per cent; and
4. The adjacent temporary sections of the sound-wall be removed and the physical characteristics of the new development building and fence serve as the sound-attenuation barrier.

This land use allows for the construction of units similar in size to the one-bedroom units the City is currently developing in four Calgary communities. One-bedroom units represent 39% of the need currently on the Calgary Housing Company (CHC) waitlist. That translates to over 1600 households.

Stakeholder Engagement, Research and Communication

The City's Calgary Housing group has been actively engaging with the Community of Rosedale since March 2015, and developed their engagement program collaboratively with the Community Association. Events included the following:

March 2015	Community Association Meeting
March 2015	Report Back to the Community
June 2015	Community Association Meeting
Sept 2015 to Feb 2015	Planning/Sound-wall Discussions
April 2016	Community Association Meeting
April/May 2016	Individual Street Engagement
May 2016	Community Association Meeting
June 2016	Report Back to Community
June 2016	Annual General Meeting

The intent of the engagement process was to understand Rosedale residents' community issues and community development concerns, while providing education on the need for affordable housing and the City's approach to development . Calgary Housing looks for development solutions that can mitigate community concerns where possible. It was also an opportunity to communicate the context around affordable housing to the community. This engagement process was not intended to be a discussion of whether affordable housing belongs in Rosedale. The City strives to have affordable housing in all Calgary communities in the belief that a prosperous city is made up of inclusive communities where there is opportunity for all.

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Feedback from the Rosedale Community Association was primarily focused on the design of the buildings and concerns about land-use requirements requiring adjacent temporary sections of the sound-wall be removed upon completion of the developments. Through collaborative work with the City's Planning, Development and Approvals Department, the requirement to remove the sound-wall sections will not be mandatory and will be addressed through the Development Permit process.

Community residents provided a broad range of comments, both supportive and unsupportive. The City's "Rosedale Affordable Housing What We Heard Report" (Attachment 3) and "Rosedale Frequently Asked Questions" (Attachment 4) summarize the feedback received from the community and also includes the verbatim comments received from residents.

Common key themes included:

- Concern over property values,
- Preference for families over single occupants,
- Parking and alley access,
- Appearance, design, building height,
- Users; and
- Long-term maintenance.

47 community residents have signed a "Petition" (Attachment 5) opposing the developments, citing secondary suites, property values, architectural style, and the engagement process as issues.

The land-use for all eight sites has been in place since 2007 and was supported by the Community Association as part of the 16th Avenue Area Redevelopment Plan. The land-use is the key driver of the type of development that will take place upon the lots, including the size of the buildings, and the secondary suite discretionary use.

Affordable housing is a priority of the Provincial and Municipal governments. Neither users nor tenure are part of the evaluation criteria for residential development.

The most current studies on property values conclude no material relationship between the development of affordable housing and the value of neighbouring properties. Long-term building maintenance and lifecycle improvements are considered more important to property values.

Strategic Alignment

The development of affordable housing units helps advance the goals and policies within a number of City plans, including the following:

1. Action Plan (2015-2018),
2. Corporate Affordable Housing Strategy (2016) ,
pending approval 2016, July 25
3. Sustainability Direction 2020 (2010),
4. Municipal Development Plan (2009); and
5. imagineCalgary (2007).

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Corporate Affordable Housing Strategy (2016)

The Corporate Affordable Housing Strategy identifies the need to make affordable housing a Council priority and meet affordable housing objectives by seeking out creative solutions through collaboration and experience in service delivery. The Strategy targets building 160 affordable housing units by 2018 and will be presented to Council for approval on 2016 July 25.

Action Plan (2015-2018)

Calgary Housing has identified actions that specifically relate to the Prosperous City Priority and the Well-Run City Priority.

Calgary Housing Actions Related Priorities:

Priority	P6	Increase affordable and accessible housing options
Action	P6.1	Increase affordable housing stock to help address housing shortage in Calgary
Priority	W2	Be as efficient and effective as possible, reducing costs and focusing on value-for-money

2020 Sustainability Direction

The 2020 Sustainability Direction is an integrated, innovative and long-term approach for achieving a more sustainable city. It is a strategic guide for transformation that identifies what must happen at The City over the next 10 years to contribute towards the imagineCALGARY 100-year vision. The creation of non-market rental housing supports various social, environment, economic and smart growth goals and objectives.

Municipal Development Plan

The City's Municipal Development Plan includes policies to ensure that there is housing diversity and choice, as well as opportunities for affordable housing in every community. The availability of housing to all Calgarians is an important component of safe, diverse and viable communities. A range of housing is also necessary and desirable for economic and social reasons: to attract a workforce and to enhance the safety, health and welfare of residents. These values are reflected in The City of Calgary's Sustainability Direction and Triple Bottom Line Framework.

imagineCALGARY

- Target 20
By 2036, all Calgarians have the option of spending less than 30 per cent of their gross family incomes on housing.
- Target 21
By 2036, the Calgary market can meet the housing needs of those below the Low-income Cut-off (LICO).

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Social, Environmental, Economic (External)

Social

With regard to affordable housing, Calgary is recognized as a high growth, high needs community. Despite the downturn in the economy, rent reductions have only occurred at the low end of market level. The City has seen no improvement at the affordable and social housing rent levels, and has seen an increase in Calgary Housing Company (CHC) waitlist households from 3400 in September 2015 to 4000 households today. The number of Calgary households in need of assistance with housing costs has remained constant since recorded in the 1991 federal census at 19% of Calgary's population.

Council approval to develop this site for affordable housing will enable expansion of The City's inventory of affordable housing units, helping low to middle-income Calgarians find safe, secure and adequate housing.

Environmental

An environmental review was undertaken for all eight lots pursuant to the Sales, Acquisitions and Leases Environmental (S.A.L.E.) Policy. It was determined from the Phase I Environmental Site Assessment (ESA) that it is not likely for environmental impacts to be present from current and historical use on seven of the eight lots.

One site, 1636 4A Street NW, was identified as requiring a follow up Phase II ESA to determine whether the site has been impacted from previous land uses on the adjacent properties. Ground water testing, completed in 2013, confirmed that all analyzed substances were below remediation levels under the Alberta Tier 1 guidelines. No further work was recommended for the site.

Economic (External)

Lower wage earners such as those in the service and industrial sectors, are a vital component of the economic development and sustainability of Calgary's economy. Without affordable housing for these important sectors, Calgary's economy could be negatively impacted.

Financial Capacity

Current and Future Operating Budget:

These units will be operated by Calgary Housing Company (CHC) according to a mixed income rent model. In such a model, approximately one-third of the units are rented just below market rates. Rental income from these units is intended to cross subsidize the moderate and deep discount units and cover the maintenance and operating costs of the properties.

Current and Future Capital Budget:

Overall, the costs associated with this project are \$3.96 million, comprising construction costs of \$3.6M million (\$225,000/unit) and \$360,000 (10% project contingency). This contingency is consistent with the scale of contingency recommended within the Corporate Project Management Framework.

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Seventy percent (\$2.77 million) of this funding will be drawn from the Municipal Sustainability Initiative (MSI) fund. The remaining \$1.19 million (30%) will be drawn from Pay As You Go (PAYG). The capital budget for affordable housing is approved under Program 489 Project LSH. Municipal in-kind commitments will be tracked as part of the City's capital contribution.

A Statement of Funding Expenditure is required by the Province once the project is complete.

Risk Assessment

Despite 16 months of education and community engagement, as with all affordable housing projects, the risk of community resistance does exist. The resistance is primarily related to concern over the user and the potential impact to property values, two items that are not part of the planning review process.

REASON(S) FOR RECOMMENDATION(S):

The development of 16 additional affordable housing units will progress The City's Corporate Affordable Housing Strategy commitment of developing 160 affordable housing units by 2018. It will also introduce a new built form model to The City's portfolio of affordable housing options which can be replicated on future sites, and serve as templates for not-for-profit and private sector developments. The majority of funding for the project is proposed to come from Provincial Block Funding and it is timely to use these funds as they were awarded to The City in 2009 and need to be allocated to a project by 2016.

ATTACHMENT(S)

1. Site Map
2. Land Use Bylaw 43Z2007
3. Rosedale Affordable Housing What We Heard Report
4. Rosedale Frequently Asked Questions
5. Petition