

Leveraging City Land for Affordable Housing

RECOMMENDATION:

That the Community Development Committee recommend that Council:

1. Direct Administration to advance the Land for Affordable Housing Action Plan as attached; and
2. Approve the proposed amendments to the Non-Market Housing Land Disposition Policy CP2019-02.

RECOMMENDATION OF THE COMMUNITY DEVELOPMENT COMMITTEE, 2023 MARCH 16:

That Council:

1. Direct Administration to advance the Land for Affordable Housing Action Plan as attached; and
2. Approve the proposed amendments to the Non-Market Housing Land Disposition Policy CP2019-02.

Excerpt from the Minutes of the 2023 March 16 Regular Meeting of the Community Development Committee:

“Moved by Councillor Carra

That with respect to Report CD2023-0205, the Administration Recommendations be amended by adding a new Recommendation 3, as follows:

That the Community Development Committee direct Administration:

3. To include the list of reviewed sites and the reasons for suitability/unsuitability as a confidential attachment for council to accompany this item.

For: (9): Councillor Penner, Councillor Wong, Councillor Carra, Councillor Chu, Councillor Dhaliwal, Councillor Pootmans, Councillor Walcott, Councillor Spencer, and Mayor Gondek

MOTION CARRIED”

HIGHLIGHTS

- The serious shortage of land suitable for residential development, at low or no cost, is one of the critical barriers to achieving Calgary’s goals of increasing the supply of affordable housing. Administration has identified additional parcels of land for consideration in the Non-Market Housing Land Sale program, as well as policy changes and actions, including a Housing Land Fund to purchase land to increase the amount of suitable City sites available for affordable housing.
- **What does this mean to Calgarians?** 80,000 Calgary households need affordable housing. To meet this need, The City’s Corporate Affordable Housing Strategy sets out a

Leveraging City Land for Affordable Housing

vision of creating 15,000 new affordable homes to begin addressing this need. Land is a critical resource in supporting this vision.

- **Why does this matter?** Recommendations in this report will increase the supply of land available for the development of affordable homes in Calgary.
- Background and Previous Council Direction is included as Attachment 1.

DISCUSSION

Administration was directed to report back to Council by 2023 Q1 to identify how to better position The City to support the creation of more affordable housing through a review of all City-owned parcels of land for consideration for the Non-Market Housing Land Sale program, and modification of relevant corporate policies and practices, including the Non-Market Housing Land Disposition Policy CP2019-02.

Land that is suitable for residential development, either City-owned or acquired by The City on the open market, is a critical resource that can provide to support the creation of affordable housing. Non-profit housing providers consistently share that they need land at no or low cost to support their development plans. Furthermore, feedback from engagement with Indigenous people living in Calgary has identified that there is a lack of culturally relevant and available land for Indigenous housing providers, at low or no cost.

Historically, The City's approach to providing land for affordable housing has been to sell surplus City-owned land at below market value, under the Non-Market Housing Land Disposition Policy (CP2019-02) which allows for the sale of up to 10 sites every two years. This has worked reasonably well, but there is a significant shortage of suitable surplus City-owned sites that can be sold in this way. There is also no dedicated fund for acquiring land for affordable housing.

Despite this, The City has had some success through the current Non-Market Housing Land Sale program. Since 2018, the program has resulted in nine development sites (defined as individual parcels of land that have been combined to create viable land for residential development) that have produced just under 300 homes. For the Non-Market Housing Land Sale program to viably continue, there is a need for a predictable and consistent pipeline of land that is suitable for residential development and available at low or no cost.

As outlined in Attachment 2, the review of all City-owned individual parcels of land for affordable housing is a constant and ongoing process. This work, completed by the Enhanced Rationalization program, has identified individual parcels of land that would be viable for residential development, and that could be unlocked for affordable housing. However, because that land has not been declared surplus, as per the processes outlined in the Corporate Land Management Framework, it is not available for affordable housing purposes.

Because only *surplus* individual parcels of land are available for affordable housing, and to ensure efficiency in Administration's response to this Notice of Motion, a review of all current City-owned surplus individual parcels of land was completed, within the parameters of existing policies and practices. This review identified 407 surplus individual parcels of land and concluded only two are suitable for residential development. This demonstrates the significant challenge Administration faces in finding suitable, City-owned individual parcels of land for

Leveraging City Land for Affordable Housing

release under the Non-Market Housing Land Sale program. The causes of this challenge are varied, but largely rest with the following factors:

- There has never been a dedicated fund for The City to acquire land for affordable housing.
- City policies and practices related to acquiring and stewarding land can limit opportunity for affordable housing. Various and sometimes contending corporate priorities means there is limited land. Future potential land requirements further limit opportunity.
- Many City-owned parcels of land that appear to be under-used, such as community centre sites, are actually severely restricted in their use and not available for affordable housing.

To address these challenges and ensure the sustainability and viability of the current Non-Market Housing Land Sale program, Administration is recommending actions outlined in the Land for Affordable Housing Action Plan as detailed in Attachment 3. Targeted actions include:

- Creating a Housing Land Fund through the 2024 budget amendments process to allow The City to acquire land, prepare encumbered sites for sale and, in some instances, provide sites at nominal value to housing providers.
- Prioritizing affordable housing outcomes by expanding the scope of the Corporate Land Strategy and Enhanced Rationalization programs to ensure a corporate focus and priority is placed on land for affordable housing.
- Advancing work identified in report CD2022-0706 *Affordable Housing for Urban Indigenous Calgarians* with Non-Market Housing Land Disposition Policy amendments to support the development of affordable housing specifically for Indigenous people as outlined in Attachment 4.
- Promoting leasing opportunities for temporary use of City-owned land where individual parcels sit vacant.
- Identifying and prioritizing surplus City-owned land along transit corridors for the Non-Market Housing Land Sale program.

Implementing the Land for Affordable Housing Action Plan will ensure broad consideration for the Non-Market Housing Land Sale program across the organization. Work required to address these actions will feed into the strategies and implementation identified in the Corporate Affordable Housing Strategy refresh going to Council in 2023 Q3.

EXTERNAL ENGAGEMENT AND COMMUNICATION

- | | | | |
|--------------------------|---|-------------------------------------|---|
| <input type="checkbox"/> | Public engagement was undertaken | <input checked="" type="checkbox"/> | Dialogue with interested parties was undertaken |
| <input type="checkbox"/> | Public/interested parties were informed | <input checked="" type="checkbox"/> | Public communication or engagement was not required |

This work builds on continuous dialogue between Administration and non-profit housing providers identifying the need for land for affordable housing.

Leveraging City Land for Affordable Housing

IMPLICATIONS

Social

One in five households in Calgary need affordable housing and one in ten are at risk of homelessness. Increasing the amount of land released for the development of affordable housing is a key strategy to alleviate and reduce this need. Affordable housing is vital in creating and sustaining safe and viable communities for all Calgarians. In addition, enabling and supporting affordable housing that is safe, and culturally appropriate for Indigenous Calgarians, is a fundamental step in advancing The City's commitment to Truth and Reconciliation.

Environmental

Releasing land for the delivery of affordable housing can be expected to have an impact on the climate and the environment. There are opportunities to significantly mitigate this impact by requiring environmental standards and energy efficiency targets are met when housing is constructed on land released for affordable housing.

Economic

Investing in affordable housing improves economic development by creating new jobs, attracting and retaining a stable workforce, and saving taxpayers money by reducing pressure on emergency services. People in affordable housing have greater opportunities to find and keep jobs, learn and build skills, and actively participate in their communities.

Service and Financial Implications

New capital funding request

Should the recommendations be approved, Administration will work to establish a reasonable new capital funding request to be included in the 2024 budget amendment process. There is no anticipated impact to the operating budget.

RISK

Maximizing the Non-Market Housing Land Sale program with the delivery of up to 10 sites every two years, as permitted under the Non-Market Housing Disposition Policy (CP2019-02), is unsustainable without a reliable and consistent pipeline of viable City land that can be sold. The recommendations in this report are aimed at mitigating this risk to a significant extent.

The acquisition and sale of land for the Non-Market Housing Land Sale program carries inherent risks relating to real estate transactions, diversion of funds from the Revolving Fund Reserve for General Land Purchases, sustaining the delivery of up to 10 sites every two years and potential resources required to transact on the implementation of these actions. These risks will be managed as they have been to date with existing governance processes and robust legal agreements to ensure the objectives of the Non-Market Housing Land Sale program are maintained. Additional resources, if required, will be requested in the 2024 budget amendment process.

**Community Services Report to
Community Development Committee
2023 March 16**

**ISC: UNRESTRICTED
CD2023-0205
Page 5 of 5**

Leveraging City Land for Affordable Housing

ATTACHMENTS

1. Background and Previous Council Direction
2. Land for Affordable Housing – Cross Corporate Work Underway
3. Land for Affordable Housing Action Plan
4. Non-Market Land Sale Disposition Policy Amendments
5. Presentation
6. **CONFIDENTIAL City-Owned Properties Reviewed by Housing Solutions**

Department Circulation

General Manager/Director	Department	Approve/Consult/Inform
Katie Black	Community Services	Approve
Michael Thompson	Infrastructure Services	Consult
Stuart Dalgleish	Planning & Development Services	Inform