

Background and Previous Council Direction

Background

Non-Market Housing Land Disposition Policy CP2019-02

The Non-Market Housing Land Disposition (NMLD) policy guides Administration in the disposition of surplus City-owned land at below-market value to non-profit housing providers. Implementation involves a commitment to publicly sell up to 10 sites every two years of surplus City-owned land at below-market value to experienced non-profit housing providers with strong track records in the development of non-market housing. The policy is designed to create a standardized, targeted, transparent, public, and predictable process with the intention of reducing barriers in transacting with non-profit housing providers. The policy also positions Calgary for readiness to leverage federal and provincial funding to increase the affordable housing supply. Many federal and provincial housing funding programs require local funding commitments as a part of their criteria and selection processes, and with the addition of City contributions of surplus City-owned land, this has been shown to assist non-profit housing providers to qualify for funding.

Two land disposition events have been successfully completed in support of the NMLD. These two Non-Market Housing Land Sale (NMLS) events disposed of 17 individual City-owned surplus parcels consolidated into nine development sites, at a cost to The City of \$8,460,000. This City investment in affordable housing helped to support five non-profit housing agencies and created 289 new non-market homes at a land cost of \$29,000 per door. Additionally, these investments leveraged approximately \$41 million from other levels of government to Calgary projects because of this program.

A third non-market housing land disposition event is scheduled to commence 2023 Q1 with the sale of three City-owned development sites. An estimated 100 non-market homes are expected at a cost to The City of \$7,200,000.

Processes for securing land for affordable housing

It is absolutely true that The City has a significant land holding. The vast majority of this land is held as either open space with stringent restrictions in place to keep it that way (e.g., the Municipal Reserve designation), with existing assets in place (e.g., transit depots, recreation centres etc.), or for future projects (e.g., road widenings, bus rapid transit projects etc.). Several business units (BU) are land stewards for these purposes. For example, Partnerships is the steward both for The City's housing assets and for bare land that will be developed either by The City, Attainable Homes Calgary (AHC) or through the NMLS.

As described in the cover report, the lack of City-owned land available for affordable housing can be traced to the following factors: a) the Affordable Housing Service Line has not traditionally had a large base of bare land or had access to funding to acquire land, b) City policies and practices are focused on supporting business units to strategically acquire and determine future land requirements based on operational needs and for future purposes, rather than centrally determining what City-owned land should be used for, and c) many lands that would support mixed use outcomes, such as community halls and affordable housing are restricted, particularly lands designated as Municipal Reserve.

Prior to each NMLS, Administration reviews hundreds of City-owned parcels of land that meet viability criteria (suitable for residential development, close to amenities) but that are held by

other BUs. Of those parcels, very few are deemed surplus to City requirements which, under the Corporate Land Management Framework, is a requirement if the parcels of land are to be transferred from one BU to Partnerships for the NMLS.

Recently, The City's Enhanced Rationalization (ER) program has been the main route to access land supply to support affordable housing development. The ER program optimizes the value of City owned land through the completion of a comprehensive analysis of all City owned land, to identify underutilized parcels available for sale or alternate use.

Under ER's workflow, each BU must show the rationale (e.g., demonstrate current and future municipal need) for all lands under their stewardship, each business cycle, to ensure that City lands are informed by policy, business needs or plans. Lands where a rationale exists are retained under BU stewardship for future municipal use. Lands without a rationale are formally circulated to all City BUs to solicit input as to whether the lands may serve another municipal purpose. Should results of the City circulation process conclude that multiple BUs have an interest in the land for a future use, an informal negotiation process takes place to determine where the land will be transferred to. The Enhanced Rationalization program currently acts as the main source to replenish the surplus land supply queue required to support continued delivery of the NMLS.

These processes are adequate in providing a supply of land for affordable housing and the results of the previous two NMLS events demonstrate success in activating City-owned land. However, there are challenges for BUs in releasing land that is being kept for future strategic initiatives and a lack of clear direction from Council in what The City's priorities for the land are. This means that, while there has been a more concerted effort in recent years to identify and release land for affordable housing, the supply will likely remain limited in scope.

Advancing Truth and Reconciliation

Report CD2022-0706 *Affordable Housing for Urban Indigenous Calgarians* identified these findings relevant to land specifically for Indigenous housing:

Barriers	Advancing the conversation
1. Access to capital and operating funding is limited.	Indigenous organizations are interested in acquiring land and existing buildings to offer affordable housing; however, capital and operating funding is difficult to obtain.
2. Indigenous community (both urban and reserve) must compete for land and resources within Western systems and norms.	Indigenous organizations are required to compete against local and national developers with greater assets and experience. Housing systems, processes and structures should be paralleled or re-normed to preference Indigenous land acquisition, development, and capital spending. Land should be returned at nominal or no cost for Indigenous affordable housing and communal cultural spaces.
3. Indigenous people are excluded from real estate development in prime locations across the city.	Victoria Park, Fort Calgary and other areas of the city hold cultural significance for Indigenous people. Over time, new housing has been built in these areas without engagement and inclusion of Indigenous perspectives. Future efforts need to be made to include Indigenous people in the zoning, inclusion and identification of significant areas and be considered for Indigenous affordable housing.

4. Available land is not culturally relevant.	Land designated through The City of Calgary's Non-Market Housing Land Sale is not culturally relevant nor appropriate to accommodate the preferences of Indigenous built forms, such as large communal housing or housing close to significant land or cultural sites.
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Previous Council Direction

DATE	REPORT NUMBER	DIRECTION/DESCRIPTION
2016 July 25	PFC2016-0512	<p>Corporate Affordable Housing Strategy</p> <p>Council approved the Corporate Affordable Housing Strategy, which identified affordable housing as a Council priority. This Strategy provides a 10-year visionary plan for The City across six objectives including Objective #2: Leveraging City Land. This objective envisions supporting the affordable housing community with City contributions realized through the disposition of City land at below market or nominal value for affordable housing development.</p>
2019 May 27	UCS2019-0505	<p>Non-Market Housing Land Disposition Policy CP2019-02</p> <p>Council approved Non-Market Housing Land Disposition Policy CP2019-02 to enable the disposition of surplus City-owned land at Below-Market Value to Non-Profit Housing Providers. The purpose of the policy is to scale-up experienced non-profit housing providers by offering a predictable supply of surplus City-owned lands to ensure that land is being matched with the non-profit housing providers development capacity, capital and programs, and to leverage City contributions to attain additional financial support from other sources</p>
2022 June 7	EC2022-0638	<p>Notice of Motion</p> <p>Council passed Notice of Motion EC2022-0638 that included, in part, direction for Administration to report back to Council by 2023 Q1 with: A review of all City-owned parcels to ensure broad consideration for the Non-Market Land Sale, and modification of relevant corporate policies and practices, including the Non-Market Land Sale Policy, to ensure The City can capitalize on and leverage the Federal 2022 Budget commitments to Housing; and to better position The City to support the creation of more Affordable Housing; (2a).</p>