

Community Services Briefing to

Community Development Committee

2024 March 20

ISC: UNRESTRICTED

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Housing Land Fund – Funding Mechanism

PURPOSE OF BRIEFING

As part of the 2023 November Adjustments to Service Plans and Budgets, Council approved a \$20 million base operating budget for a Housing Land Fund (the Fund) to support the *Home is Here: The City of Calgary's Housing Strategy 2024-2030* (Housing Strategy) to address Calgary's housing crisis. Administration has developed a Funding Mechanism (Attachment 1) to provide a framework that outlines terms for use of the fund.

SUPPORTING INFORMATION

Intent, Impact, and Scope of the Fund

Calgary is in a housing crisis. To support the implementation of the Housing Strategy and address the ongoing housing crisis, the Housing Land Fund was approved by Council to fund land opportunities for the creation of new non- and mixed-market housing.

The purpose of the Housing Land Fund is to:

- Free up existing surplus City-owned sites for housing development opportunities by removing barriers to development.
- Provide the necessary resources to enable The City to act quickly on acquisition opportunities as well as strategically pursue land for non- and mixed-market housing development.

All Calgary communities need housing that is affordable. The Housing Land Fund will ensure that lands will be acquired in areas that represent a high value (through social and economic indicators) and strategic opportunity, while also ensuring that when additional City-owned sites become surplus, development barriers will be reduced to support new non- and mixed-market housing projects.

The Housing Land Fund may be used for the following:

1. Acquiring new assets, which may include land and existing structures:
 - Strategic acquisition will focus on:
 - Communities that are under-served by non- and mixed-market housing.
 - Properties that have been identified for non-market housing through a City-led planning process.
 - Land well-served by rapid transit.
 - Land adjacent to existing City land that otherwise would not be viable for residential development on its own due to constraints (i.e. consolidating parcels).
 - Opportunity acquisition of an asset may occur when a property is circulated to The City by other government agencies or private landowners.

- 2. Improving land and/or existing structures to reduce risks and costs for future development:
 - o Improvements to assets may include completing servicing and environmental studies, remediating land, upgrading utilities, demolishing existing structures, improving existing structures and completing subdivisions and land use amendments.
- 3. Administrative and support costs:
 - o May include enabling the disposition of existing City-owned land at below book value, hiring external resources, adding City resources and funding operational and maintenance costs associated with stewardship of assets acquired through the Housing Land Fund.

To provide additional land opportunities for non- and mixed-market housing development, The City must not only consider land within its existing portfolio but also the purchase of land at market or below-market rates with supportive sellers. Non- and mixed-market housing is needed across Calgary, and as such, all communities and land opportunities will be considered in the use of the Housing Land Fund.

Effective Management and Administration of the Fund

The Housing Land Fund is a funding source, it is not a new disposition program or external funding mechanism. Any assets acquired and/or improvements made to assets by use of the Housing Land Fund will be managed, administered and maintained in accordance with The City’s stewardship practices and policies, and will be disposed of, leased, or transferred at below-market value in accordance with The City’s non-market housing related programs and policies.

Housing Solutions administers the Housing Land Fund and is responsible for evaluating acquisition opportunities, demonstrating responsible use of funds and collaborating across the Corporation to fulfill the intent of the fund. This will include close working relationships with Law, Real Estate & Development Services and Finance business units, and the Planning & Development Services department.

Housing Solutions will be seeking approval from Council to amend the Terms of Reference to the Corporate Housing Reserve, through the Triennial Reserve Review in 2024, to allow for unused Housing Land Funds to be transferred to the reserve and used only for the explicit purposes outlined in the Funding Mechanism. Changes to the Terms of Reference of the Corporate Housing Reserve will be reported to Executive Committee in December 2024 for Council approval in January 2025.

Yearly reporting to Council on the Housing Land Fund’s objectives and performance will occur as part of annual reporting requirements under the Housing Strategy. Financial reporting on the Housing Land Fund will occur through established budget and reserve reporting requirements.

ATTACHMENT

- 1. Housing Land Fund - Funding Mechanism

Author: Partnerships business unit

General Manager Katie Black concurs with the information in this Briefing.