

## East Inglewood Residual Lands (NM2017-25)

### EXECUTIVE SUMMARY

This report is in response to NM2016-35 and NM2017-25, which directed Administration to undertake a comprehensive review of three vacant City-owned parcels in the community of Inglewood (2255 15A St. S.E., 2230 16th St. S.E., 1851 9th Ave. S.E.). The parcels were created as a result of the Blackfoot Trail S.E. realignment in the 1970s. Two of the parcels are currently used as temporary off-leash dog areas, while the third parcel is used as a pedestrian connection to 9th Avenue S.E.

As per Council direction, Administration investigated the potential to create saleable lots for the purpose of both market-rate and affordable housing, and to provide an enhanced public open space. The review included planning and technical considerations, a preliminary land value analysis, as well as community input through public engagement. This analysis resulted in three potential options: 1) maintain the status quo, 2) sell land that is currently developable and enhance any remaining open space, and 3) include the subject parcels in Administration's work with the Province and the Calgary Airport Authority, and delay any land sales until such time that a comprehensive strategy regarding the Airport Vicinity Protection Area (AVPA) regulations has been established. The recommendation is to pursue the third option, as the result of the AVPA work may identify additional possibilities to take a more comprehensive approach and potentially achieve a more favourable outcome.

#### **ADMINISTRATION RECOMMENDATION:**

That the SPC on Planning and Urban Development recommends that Council:

1. Receive this report for information in response to Council direction outlined in NM2016-35 and NM2017-25; and
2. Delay any land sales and development on the subject parcels until such time that a comprehensive strategy for lands within the Airport Vicinity Protection Area has been established (option 3); and
3. Request that Attachment 4 remain confidential pursuant to Sections 23, 24, and 25 of the *Freedom of Information and Protection of Privacy Act* and that Council consider Attachment 4 in camera if requested by Council.

### PREVIOUS COUNCIL DIRECTION / POLICY

On 2016 December 5, at the Combined Meeting of Council, Council adopted Councillor Carra's NM2016-35, Revised - Jack Long Foundation Municipal Reserve Land Acquisition for Affordable Housing in Inglewood. (Attachment 1)

On 2017 June 26, at the Regular Meeting of Council, Council adopted UCS2017-0497 moved by Councillor Carra and Seconded by Councillor Chabot approving the sale of 2244 15A ST S.E. to Jack Long Foundation.

## **East Inglewood Residual Lands (NM2017-25)**

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On 2017 July 31, at the Combined Meeting of Council, Council adopted Councillor Carra's revised motion (NM2017-25), Equitable Transit Oriented Development in Inglewood, Resolutions a, c, and d directing Administration to include 1851 Ninth Ave. S.E. in the review of NM2016-35. (Attachment 1)

On 2017 July 31, at the Combined Meeting of Council, Council adopted a Motion Arising, moved by Councillor Demong, Seconded by Councillor Magliocca, directing Administration to include Equitable Housing Ltd. in conjunction with the Community of Inglewood as part of the review of NM2017-25. (Attachment 1)

### **BACKGROUND**

Historically, a portion of Blackfoot Trail S.E. ran through the community of Inglewood between the existing intersections of 19th Street and 9th Avenue S.E., and Alyth Road and Blackfoot Trail S.E. Upon realignment of Blackfoot Trail in the 1970s, five City-owned parcels were created: 2255 15A St. S.E. (2255), 2244 15A St. S.E. (2244), 2230 16th St. S.E. (2230), 1835 10th Ave. S.E. (1835), and 1851 9th Ave. S.E. (1851). It was determined that 2244, 2230 and 1835 were intended for multi-residential development and were assigned supporting land uses. These parcels were also exempted from the Airport Vicinity Protection Area (AVPA). The two remaining parcels of 2255 and 1851 were designated as municipal reserve (MR) and were not exempted from the AVPA (see history and overview map in Attachment 2).

Since then, two of the parcels have been sold for the purpose of developing affordable housing. In the 1990's, 1835 was sold to Habitat for Humanity and an affordable housing development currently exists on site. 2244 was recently sold to the Jack Long Foundation for the purpose of building affordable senior's housing and there is currently an approved development permit for the site.

The proposal for sale of 2244 to the Jack Long Foundation in 2016 led to Council direction (NM2016-35) to undertake a comprehensive planning exercise for the adjacent parcels of 2255 and 2230. Following NM2016-35, interest for development on 1851 was presented by Equitable Housing Ltd. (an affordable housing provider). Calgary Housing also assessed the parcel as meeting the criteria as an appropriate location for affordable housing. This information led to the Council-directed NM2017-25 to include 1851 in the comprehensive review, and to explore the potential for affordable housing.

Prior to the subject notices of motion, 2255, 2244 and 2230 had been identified as locations for temporary off-leash dog areas. The open space became fragmented with the sale of 2244 for development, which gave rise to the Council direction to explore a more effective open space system.

### **INVESTIGATION: ALTERNATIVES AND ANALYSIS**

Urban Strategy undertook a detailed planning and technical analysis of the remaining residual lands comprised of 2255, 2230, and 1851 as per direction from NM2016-35 and NM2017-25. This analysis considered the potential for further development balanced with meaningful, effective open space, and included community feedback and a preliminary financial review. It

### East Inglewood Residual Lands (NM2017-25)

also took into consideration other City projects and on-going work that may affect or be affected by the subject lands. This work resulted in a variety of potential scenarios being developed, each with their own risks, benefits and trade-offs.

#### Site Overview and Analysis

Completion of the due diligence for the sites revealed potential development opportunities and constraints related to the properties. This involved assessing the location of utilities, the impact of the AVPA regulations on site development, Calgary Parks' requirements, Municipal Reserve (MR) considerations, and land valuation analysis. The planning and development requirements were reviewed based upon the current (1993) Inglewood Area Redevelopment Plan (ARP). A summary table of the site overview and analysis is shown below with more detailed information, including a utility location map, AVPA contour map, and site overview map, outlined in Attachment 3.

	2255 15A ST SE	2230 16 ST SE	1851 9 AV SE
<b>Planning Policy</b>	<ul style="list-style-type: none"> <li>Current policy: multi-unit or detached residential development</li> </ul>	<ul style="list-style-type: none"> <li>Current policy: multi-unit or detached residential development</li> </ul>	<ul style="list-style-type: none"> <li>Current policy: multi-unit or detached residential development</li> </ul>
<b>Land Use</b>	<ul style="list-style-type: none"> <li>Special Purpose (S-SPR)</li> <li>Designated MR</li> </ul>	<ul style="list-style-type: none"> <li>Multi-Residential Contextual (M-CG)</li> <li>Density allowances of 44 units/ha and maximum height of 12m</li> </ul>	<ul style="list-style-type: none"> <li>Special Purpose (S-SPR)</li> <li>Designated MR</li> </ul>
<b>Current Use</b>	<ul style="list-style-type: none"> <li>Identified as a 'temporary off-leash dog area'; currently used for this purpose</li> </ul>	<ul style="list-style-type: none"> <li>Identified as a 'temporary off-leash dog area'; currently used for this purpose</li> </ul>	<ul style="list-style-type: none"> <li>Currently open space however not used as such by the community other than as a connection through the site to 9<sup>th</sup> Ave</li> </ul>
<b>Site Servicing/ Location of Utilities</b>	<ul style="list-style-type: none"> <li>Majority encumbered by utilities</li> <li>Sanitary and storm run east-west through the centre of the site</li> <li>Overhead power lines cross diagonally through the site</li> </ul>	<ul style="list-style-type: none"> <li>Water, sanitary and storm pipes bisect the site between 16<sup>th</sup> ST SE to the north and 16<sup>th</sup> ST SE to the south</li> <li>Enmax poles and overhead power lines run along east and south property lines</li> </ul>	<ul style="list-style-type: none"> <li>A storm pipe (&lt;375mm) runs along the northwest side of the parcel bisecting both the north and south portion of the site</li> <li>Water and sanitary pipes run through the southern portion of the site</li> <li>Enmax poles and overhead power lines run along the southeast side of the parcel</li> </ul>
<b>AVPA</b>	<ul style="list-style-type: none"> <li>Within the AVPA (30-35 NEF); restrictions on residential development</li> </ul>	<ul style="list-style-type: none"> <li>Within the AVPA (30-35 NEF); Exempted with no restrictions on redevelopment</li> </ul>	<ul style="list-style-type: none"> <li>Within the AVPA (30-35 NEF); restrictions on residential development</li> </ul>
<b>Calgary Parks</b>	<ul style="list-style-type: none"> <li>Inglewood's open space provision is greater than 10% and/or 2ha/1000 residents</li> </ul>	<ul style="list-style-type: none"> <li>Inglewood's open space provision is greater than 10% and/or 2ha/1000 residents</li> </ul>	<ul style="list-style-type: none"> <li>Inglewood's open space provision is greater than 10% and/or 2ha/1000 residents</li> </ul>
<b>City-Owned Land Requirements</b>	<ul style="list-style-type: none"> <li>Declared surplus</li> </ul>	<ul style="list-style-type: none"> <li>Declared surplus</li> </ul>	<ul style="list-style-type: none"> <li>Declared surplus</li> </ul>
<b>Affordable Housing</b>	<ul style="list-style-type: none"> <li>In close proximity to schools and transit which are criteria for general non-market housing developments</li> </ul>	<ul style="list-style-type: none"> <li>In close proximity to schools and transit which are criteria for general non-market housing developments</li> </ul>	<ul style="list-style-type: none"> <li>In close proximity to schools and transit which are criteria for general non-market housing developments</li> <li>High-ranking location for affordable housing through Calgary Housing assessment</li> </ul>
<b>Development Readiness</b>	<ul style="list-style-type: none"> <li>No</li> </ul>	<ul style="list-style-type: none"> <li>Yes</li> </ul>	<ul style="list-style-type: none"> <li>No</li> </ul>

## East Inglewood Residual Lands (NM2017-25)

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### Current Developability

#### *2255 15A St. S.E.*

Nil: the current land use does not permit development, the parcel is within the AVPA where development is restricted, and is largely encumbered with utilities. The underground utilities would be very costly to relocate, and likely not worth the land value. The overhead Enmax line may be relocated to open the northern portion of the parcel for development. This relocation could create a development parcel of approximately 420 square metres, which typically allows for a 2-unit semi-detached building.

#### *2230 16 St. S.E.*

High: the current land use allows for multi-family development; the parcel is exempt from the AVPA restrictions; and the location of utilities bisects the parcel north-south at 16 St SE allowing for two potential development sites of approximately 2,430 square metres and 900 square metres. Based on the existing land use district and total parcel area, a maximum of 18 dwelling units could be achieved.

#### *1851 9th Ave. S.E.*

Nil: the current land use does not permit development; the parcel is within the AVPA where development is restricted; and the location of existing utilities results in a narrow strip of unencumbered land. The storm pipe may be relocated to create a more viable development site. This relocation would require land from the adjacent Colonel Walker School site which has not been explored. The overhead Enmax lines may also need to be relocated to maximize development potential on the site. Further investigation into utility alignment and setback requirements will be needed.

### Related City Projects

Two City projects are currently underway that may have impact on or be impacted by any decisions made for the subject parcels.

#### *Inglewood/Ramsay Area Redevelopment Plan (ARP)*

Community Planning is currently reviewing the existing ARP for the area and an amended draft document has been prepared. This draft currently reflects the existing land uses on the subject parcels, identifying 2255 and 1851 as open space, and 2230 as multi-residential. This is a change from the existing policy, which identifies all three parcels for multi-family residential. With the review of the ARP, there is an opportunity to establish a comprehensive vision for the subject parcels and/or to include policy direction for further exploration of development scenarios in conjunction with the overall review of the AVPA impacts on affected lands (see below).

## **East Inglewood Residual Lands (NM2017-25)**

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### *City of Calgary's Airport Vicinity Protection Area (AVPA) Land Strategy*

The AVPA Regulation is a provincial regulation under the Municipal Government Act (MGA), and is the responsibility of Municipal Affairs. The intent of the AVPA Regulation is to protect the operations of the Calgary International Airport from development that could interfere with the airport's ability to fully function. It implements the Noise Exposure Forecast (NEF) system made available by Transport Canada, which established noise exposure forecast areas around the airport. The AVPA Regulation prohibits certain uses, including residences, on sites within or higher than the NEF 30 contour. This prohibition restricts the development of additional residences in areas where residential development had already occurred before the AVPA was enacted in 1979.

Administration cannot approve development or subdivision applications for prohibited uses in the areas affected by the AVPA Regulation. If the municipality determines that further residential development has merit, the AVPA Regulation provides a process for exemption from the development restriction. Only a municipality can petition the Minister of Municipal Affairs for such an amendment, which may take several months due to the required circulation and review processes that must be undertaken prior to the Minister making a final decision.

Administration received direction from Council to explore an amendment to the AVPA to allow for additional residential development in the Inglewood community on lands located within the 30-35 NEF contour. One of the goals of the Municipal Development Plan (MDP) is to achieve intensification in areas that have been identified as main streets, corridors, activity centres and transit nodes. Most of these typology areas are not impacted by the AVPA Regulation, however portions of Inglewood would not be able to meet their intensification potential and contribute to the achievement of the goals of the MDP and the development of a vibrant community. As a result, Administration reported back to Council in 2016 December (PUD2016-0905) with various options after extensive consultation with the community, Calgary Airport Authority (CAA), Transport Canada, and Municipal Affairs and received further direction from Council to consult with the CAA to seek its support for exemptions for higher intensity residential development in important intensification areas within the NEF 30 contour in Inglewood.

The City and CAA met on 2017 December 01 to share information about The City's vision of development including the goals of the MDP, the Green Line, and Main Streets, to provide an overview of Calgary's planning vision. A second meeting was scheduled for 2018 February 05 but that meeting had to be deferred until the Province was at the table. On 2018 March 14, City Administration, the Province and the CAA met. The meeting was a good opportunity to review the Calgary context, The City's strategic objectives for intensification, and the seven active applications currently in the AVPA. The City emphasized a need for urgency to move discussions forward.

Administration is preparing to work collaboratively with Municipal Affairs and the CAA around AVPA exemptions. Currently a simpler City of Calgary process for site-specific exemptions is under development. In addition to the work on simplifying the process, The City is starting to develop an AVPA Land Strategy, that would identify the type of development (uses and intensities) The City would support within the AVPA area. This work will be the starting point for discussions with Municipal Affairs and the CAA to advance discussions on a comprehensive exemption to the Calgary International AVPA regulation. Given this work is currently underway,

### East Inglewood Residual Lands (NM2017-25)

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Administration does not support city-initiated exemption requests until there is more clarity around this previous Council direction. Once this work is complete, there will be more clarity around the development potential and possibilities for lands within the 30-35 NEF contour, including the subject parcels of 2255 and 1851.

#### Evaluation of Options

##### *Option 1: Do nothing (status quo)*

The community values the current function of 2255 and 2230 as an off-leash dog park, and both parcels are well-used for this purpose. While 1851 is not used as park space by the community, the pathway connection to 9th Avenue S.E. through this parcel is frequently traveled, and Calgary Parks has made recent landscaping upgrades to the site.

Maintaining the status quo on these parcels would satisfy the community desire to preserve the off-leash dog area, however, other Council objectives would not be met and doing nothing may perpetuate uncertainty of future planning in the area.

##### *Option 2: Sell 2230 for development and enhance remaining open space*

The current land use and policy direction for 2230 supports multi-residential development, and the parcel is exempt from AVPA restrictions. Residential development may consist of market-rate and/or affordable housing units. The existing utility alignment allows for two potential development sites, each with capacity for several dwelling units. Potential profit generated from the sale of the site (or a portion of) at market value could be used to fund enhancements to the remaining open space, through Council direction. Real Estate and Development Services has the financial capacity to prepare and administer the sale of 2230.

2230 is currently the only parcel that may be considered for sale as a stand-alone disposal, as both 2255 and 1851 would generate a net loss if prepared for market as individual transactions (Attachment 4). Therefore, 2255 and 1851 are not being considered for sale at this time nor without a larger comprehensive strategy.

Selling 2230 for development, as opposed to other parcels, is the most straightforward and feasible option from a technical perspective. It is also the most financially viable considering the existing conditions of the three parcels. However, this option is contrary to the community feedback received regarding the importance of this land as open space. Nor does it take into account the development potential and interest in 1851 as a site for affordable housing. Support from the community for development on the 1851 site is also not considered in this option.

##### *Option 3: Include subject parcels in Administration's current work with the Province and the Calgary Airport Authority, and delay any land sales until such time that a comprehensive strategy regarding the AVPA Regulations has been established*

An outcome that supports a balance of development (both market-rate and affordable housing) and meaningful open space would meet the needs of both internal and external stakeholders. Such an outcome would include i) market rate land sales that generate revenue for the City, ii) non-market rate land sales for the purpose of affordable housing development, and iii)

### **East Inglewood Residual Lands (NM2017-25)**

preservation of most of 2230 as public open space. A high-level concept plan that could achieve this outcome is illustrated in Attachment 5.

Currently, this preferred scenario is unachievable given the restrictions on 2255 and 1851. Pending the outcome of Administration's ongoing work regarding the AVPA, however, there may be potential to allow for development to occur on these parcels. Once a strategy for managing lands affected by the AVPA Regulation is in place, Administration may review the potential for implementing the preferred scenario for the subject parcels, or another approach that achieves Council objectives for these lands. This review may include exploring the possibility for relocating utilities on CBE property and the disposal of MR.

While this option achieves no immediate result, it allows for the consideration of all pertinent information to determine the best approach based on a more complete assessment of options. It also acknowledges community input by committing to further explore alternative outcomes to developing the existing open space.

#### **Stakeholder Engagement, Research and Communication**

Both internal and external engagement was conducted throughout the exploration and analysis of these lands. Internal stakeholders included Real Estate & Development Services, Community Planning, Affordable Housing, Calgary Parks, and Calgary Growth Strategies.

An in-person public engagement workshop was held on 2018 February 13 at the Inglewood Community Association hall. The event was structured to provide all the information known to date through boards and a presentation, followed by a facilitated table workshop. The specific objective of the engagement was structured to gather stakeholder input on where development may be most desired, what type of development might be appropriate including affordable housing, and to understand how the land is currently used versus what future use and enhancements could look like. A total of 46 external stakeholders attended the event, in addition to the ward Councillor and representatives from each of the internal stakeholder groups identified above. As per NM2017-25, Equitable Housing was included in the engagement and attended the 2018 February 13 workshop.

An online engagement option was also offered to the public through The City's Engage web portal from 2018 February 14 to February 28. A total of 386 stakeholders visited the site and 33 stakeholders provided input.

The community input varied across the topics of development type, affordable housing and park enhancements. A summary of the 'What We Heard Report' is included in Attachment 6. There was, however, general consensus on the following:

- 1) Desire to keep property 2230 undeveloped with additional enhancements and an off-leash area, but if some development were to occur that it be mindful of points 3) and 4) below;
- 2) Property 1851 and 2255 would be more desired for development pending technical and legislative process requirements;
- 3) Low-rise or single-family housing would be most desired and kept in similar built form to fit in the area;

### **East Inglewood Residual Lands (NM2017-25)**

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- 4) Ensure appropriate infrastructure for parking, traffic and pedestrian connections.

Overall, the community does not support development on 2230 and would prefer any development to occur on 1851. The clear preference is to see no change at all and retain all open spaces in their current condition.

#### **Strategic Alignment**

The Municipal Development Plan (MDP) policies support moderate intensification that respects the scale and character of existing development. The MDP generally suggests that households in Calgary be encouraged to live in diverse forms of housing, including compact and efficient forms such as semi-detached dwellings, row houses and townhouses. The MDP also suggests that there be a choice of housing forms, tenures and affordability to accommodate the needs of current and future Calgarians and create sustainable communities.

Enabling redevelopment for affordable housing supports the objectives of *Foundations for Home: Calgary's Corporate Affordable Housing Strategy (2016-2025)* which was adopted by City Council in 2016.

#### **Social, Environmental, Economic (External)**

##### **Social**

The potential development of the parcels for affordable housing supports the vision of increasing non-market housing supply to provide homes to a minimum of 6% of households in Calgary. Currently, only 3.6% of households in Calgary are supported by non-market housing, as compared to the national average of 6%. To accommodate 6% of its households in non-market housing, Calgary would need to add approximately 15,000 new affordable units today.

##### **Environmental**

An enhanced open space system may be provided and funded through the revenues generated from potential land sales for development at the direction of Council, which may result in more effective open space for the residents, and more meaningful interaction with the environment.

Diverse housing is a component of complete and compact communities. Complete and compact communities allow residents to carry out more daily activities locally therefore increasing transportation options for residents and reducing the environmental impacts of longer travel distances.

##### **Economic**

A wider range of housing options are more likely to meet a greater diversity of household needs, preferences and means. Enabling redevelopment for non-market housing would provide affordable housing options for lower wage earners, such as those in service and industrial sectors, whom are vital to the economic diversification and sustainability of Calgary's economy.

Creating development opportunities on City-owned lands that otherwise generate no revenue help to enhance the financial sustainability of the municipality by generating on-going property tax revenue.

## **East Inglewood Residual Lands (NM2017-25)**

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### **Financial Capacity**

#### ***Current and Future Operating Budget:***

None.

#### ***Current and Future Capital Budget:***

None.

### **Risk Assessment**

With Administration's work currently underway regarding the AVPA Regulations, any singular application for exemption, exclusive to an overall strategy, may jeopardize desired timelines and outcomes at a collaboration table with Municipal Affairs and the Calgary Airport Authority. It could also set precedent for one-off exemption requests that are currently on hold pending Administration's work with these other parties.

Notwithstanding the financial risk of unrealized revenue to The City, any land sales carried out ahead of the forthcoming information with respect to the AVPA Regulation may relinquish potential options for a more comprehensive land strategy for the subject parcels. Furthermore, sale and development ahead of a comprehensive strategy of 2230 may result in damages to community relations between the local stakeholders and The City.

### **REASON(S) FOR RECOMMENDATION(S):**

With work currently underway regarding a new strategy for lands affected by the AVPA Regulation, Administration does not have all the pertinent information to thoroughly assess the desired outcome of appropriate locations for both development and open space. Any action for pursuing AVPA exemptions and/or land sales at this stage would be premature.

Awaiting the outcome of Administration's work regarding the AVPA Regulations will result in a clear and well-informed decision for a comprehensive strategy for the subject lands, with better clarity on whether the desired scenario is achievable.

### **ATTACHMENT(S)**

1. Previous Council Direction
2. History and Overview Map
3. Site Analysis, Utility Location Map, AVPA Map
4. Land Valuations (CONFIDENTIAL)
5. Concept Plan
6. Summary of Public Engagement 'What We Heard' Report