

TEMPORARY NEIGHBOURHOODS

EXECUTIVE SUMMARY

As part of the 2013 June flood response, the Office of Land Servicing & Housing and the Calgary Housing Company partnered with Community & Neighbourhood Services to undertake a Displaced Calgarians Housing Program. In response to a request from the Alberta Emergency Management Agency, the Office of Land Servicing & Housing also identified and developed a 40-acre parcel of City-owned land and leased it to the Alberta Social Housing Corporation to build the Great Plains temporary neighbourhood for displaced residents of Southern Alberta.

Based on Administration's experience with the Great Plains temporary neighbourhood, this report provides analysis at a high level with respect to information on locations, land use planning, development schedule, and both construction and operating costs for additional temporary neighbourhoods intended as a short term affordable housing alternative.

ADMINISTRATION RECOMMENDATION(S)

That the Priorities and Finance Committee receive this report for information.

PREVIOUS COUNCIL DIRECTION / POLICY

Minutes of the Regular Meeting of Council, 2013 September 16:

MOTION ARISING, Moved by Alderman Keating, Seconded by Alderman Pincott, that with respect to Report C2013-0644, Council direct Administration to further explore the development of temporary neighbourhoods in Calgary, including discussion of locations, zoning, and how the housing could be delivered, and report back to Council through the Priorities and Finance Committee, no later than 2013 December.

BACKGROUND

In addition to the Displaced Calgarians Housing Program, following a request for emergency assistance from the Alberta Emergency Management Agency, the Office of Land Servicing & Housing selected and developed a 40-acre parcel of City-owned crop and pasture land to be used for housing displaced residents of southern Alberta in camp-style trailer accommodations.

This parcel of land, on the corner of 61 Avenue and 57 Street SE, has been leased to the Alberta Social Housing Corporation to build the Great Plains temporary neighbourhood. The development was carried out under an emergency order authorized by the Calgary Emergency Management Agency. The order exempts the development from Part 17 of the *Municipal Government Act*, which allocates land use planning and development authority to municipalities. The emergency order stipulates that all costs of construction and decommissioning are to be covered by the Province of Alberta. Costs and obligations for the site were laid out in a subsequent agreement between The City of Calgary and the Alberta Social Housing Corporation. Construction costs included grading and installing a gravel pad on the site and installing service connections to utilities. The Alberta Social Housing Corporation then paid a contractor under a separate contract to install the trailer accommodations on the site, with a planned occupancy of 700 individuals.

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The Great Plains temporary neighbourhood offers accommodations and all meals to tenants and charges rent for the services. Calgary Housing Company has been retained by the Alberta Social Housing Corporation to provide tenant support workers on the site, who are able to connect tenants with support services.

The Office of Land Servicing & Housing has relied on our experience developing the Great Plains temporary neighbourhood as the basis for this report. The Office of Land Servicing & Housing recently received a Project of the Year award from the Project Management Institute Southern Alberta Chapter for our use of project management best practices on the project.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

Type of Unit

This report considers a temporary neighbourhood constructed from camp-style trailer accommodations, similar to those used in the Great Plains temporary neighbourhood. Alternatively, at the direction of Council, Administration could analyse a different type of unit that would offer a more permanent home and be built on City-owned land. However, this will require a new research project to examine building forms that would satisfy Provincial building codes and be appropriate for the demographic of tenants who make use of affordable housing.

Locations

During the state of local emergency, the Office of Land Servicing & Housing identified six sites as potential additional locations for temporary neighbourhoods intended for residents of Calgary. The six sites were selected as the best possible alternatives in the limited time available during the state of local emergency, and would have only been used if the demand for housing by Calgarians displaced by the flood exceeded the vacant units available from Calgary Housing Company. The sites selected, and their current status, are:

<u>Site</u>	<u>Current Status</u>
Royal Oak (two parcels)	Both parcels serviced to property line, development moratorium due to downstream sanitary capacity
Southfield	Onsite & offsite servicing required
Starfield Industrial Park	Site fully serviced and listed for sale
Lincoln Park (two parcels)	Both parcels fully serviced, one owned by ATCO, one owned by City

The emergency orders written for the sites exclude the sites from Part 17 of the *Municipal Government Act*. The orders only allow for the sites to be used for temporary housing of Calgarians displaced by the flood, and they allow for this use only until December 2014. These emergency orders would not apply to the use of temporary neighbourhoods for affordable housing purposes, and so all aspects of Part 17 would need to be applied to these sites in the planning process. This would include land use re-designation, subdivision, development permits, and approval of development site servicing plans.

A list of criteria was developed by the Office of Land Servicing & Housing during the flood for selecting sites. This list could potentially be used for selecting other sites for temporary neighbourhoods, and is included in Appendix 1.

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Land Use Planning

Additional temporary neighbourhoods on City-owned land cannot be developed as the result of an emergency order if they are not intended for Calgarians displaced by the flood. A new temporary neighbourhood would be subject to all aspects of Part 17 of the *Municipal Government Act*. If Council were to pursue the development of a new temporary neighbourhood, the process would start with a review of City-owned lands in order to identify sites that would be acceptable from a land use planning perspective.

The appropriate land use designation for a new temporary neighbourhood using trailer camp-style units is Emergency Shelter. Emergency Shelter is defined in The City of Calgary's Land Use Bylaw, and the details of the definition from the Bylaw are:

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(a) means a *use*:

- (i) that may provide transitional housing for people in need of shelter;
- (ii) that may provide temporary accommodation for persons in need of short term accommodation;
- (ii.1) that may include sobering facilities, but does not include treatment for an addiction;
- (iii) that may offer health, education, and other programs and services to the population the *use* serves;
- (iv) that may provide a food preparation, *kitchen* or eating area for the staff or population the *use* serves;
- (v) that has staff providing supervision of the people being accommodated at all times the facility operates; and
- (vi) that must be approved only on a *parcel* designated as a Direct Control District that specifically includes Emergency Shelter as a *use*;

(b) is a *use* within the Direct Control Uses Group in Schedule A to this Bylaw; and

(c) requires a minimum number of *motor vehicle parking stalls* and *bicycle parking stalls – class 1 or class 2*, based on a parking study required

If Council desires to consider a different type of unit built on City-owned lands, one of the existing residential land uses would be appropriate to use, depending on the type of accommodations under consideration.

Building Code

Building code issues were identified in the Great Plains temporary neighbourhood when the Alberta Social Housing Corporation determined that the units provided would not meet the construction requirements for residential occupancy under the *Alberta Safety Codes Act*. The structures are typically designed to satisfy Part 10 as Relocatable Industrial Structures, and are intended for an industrial camp environment. To allow a building permit for the Great Plains Temporary Neighbourhood, Alberta Municipal Affairs – Safety Services issued Building Code Variance 06-BCV-015 providing for post-disaster occupancy of structures that normally meet

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Part 10. The variance required the installation of additional life safety systems in the units and prevents the cooking suites in the units from being used by the tenants due to fire safety concerns. This variance would not apply to a use of trailers for non-emergency purposes, and some other form of variance would be required to pursue further temporary neighbourhoods.

Similarly, if Council desires to examine a different type of unit built on City-owned lands, it would be necessary to determine how the unit under consideration would satisfy Alberta building codes.

Development Schedule

Development of the land for the Great Plains Temporary Neighbourhood proceeded rapidly due to the centralized authority granted to the Calgary Emergency Management Agency over City Administration during the state of local emergency, and the provision of an emergency order exempting the site from Part 17 of the *Municipal Government Act*. Since additional temporary neighbourhoods would be subject to all aspects of Part 17 of the *Municipal Government Act*, an approximation of a schedule for making land available for a temporary neighbourhood is included in Appendix 1. Schedule risk would exist in this type of project, due to the amount of public engagement and urban planning effort that would be required prior to using any land for a temporary neighbourhood outside of an emergency situation.

Construction and Operating Costs

Based on the costs to develop the Great Plains Temporary Neighbourhood, a rough estimate of the capital costs involved to produce a new temporary neighbourhood on City-owned land is included in Appendix 1. Based on Administration's understanding of the actual costs to operate the Great Plains site, the yearly cost to operate a similar temporary neighbourhood is also included in Appendix 1.

The approach used on the Great Plains Temporary Neighbourhood was to use a third-party service provider to provide and operate the units on the site. To obtain a vendor for a new temporary neighbourhood, The City would need to prepare and release a Request For Proposal. Rental income covers a portion of the operating costs, but to meet appropriate affordable housing rents on a scale similar to what the Calgary Housing Company charges today for affordable housing, the remainder of the costs would have to be covered.

Stakeholder Engagement, Research and Communication

Community & Neighbourhood Services conducted extensive outreach in the flood-impacted neighbourhoods to make Calgarians aware of the availability of the Displaced Calgarians Housing Program. After the September 16 meeting of Council, Administration again engaged in the community and with the Councillors' staff in affected wards to ensure that any affected residents were aware of the program.

For the development of additional temporary neighbourhoods, engagement with the local land owners and residents would be required as an input to the planning approvals process.

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Strategic Alignment

The use of temporary neighbourhoods is not a form of housing recommended by the Strategic Overview of Affordable Housing verbal report VR2013-0064 brought before Council on 2013 June 17. The trailer format of this type of housing falls within the 'emergency transitional housing' end of the housing continuum. The City's 2002 Corporate Affordable Housing Strategy identifies The City's role as providing management and operations in the non-market housing part of the spectrum. Constructing and operating a temporary neighbourhood outside of a state of local emergency is not aligned with the strategy. To align with The City's 2002 Corporate Affordable Housing Strategy, the funds that would be used to construct and operate a temporary neighbourhood would be better directed to non-market housing development or to assist in the planning approvals for market housing.

Social, Environmental, Economic (External)

While there is a great need for affordable housing in Calgary, there are risks associated with temporary neighbourhoods. During Administration's investigation with the United States' Federal Emergency Management Agency of housing alternatives following a disaster, several sustainability issues with temporary neighbourhoods were identified:

- High cost of construction and operation relative to other housing alternatives;
- Impact on transportation and utility networks of concentrating large numbers of displaced residents;
- Social impacts of placing displaced residents in locations far from their existing networks of schools, employment, and neighbours;
- Reconstruction impacts of placing displaced owners in locations removed from the site of their repair and remediation efforts; and,
- Inability to close temporary neighbourhoods on planned schedules.

For these reasons, the Federal Emergency Management Agency advised that it has changed its policies after Hurricane Katrina and no longer pursues construction of temporary neighbourhoods to house displaced residents.

The City of Calgary's 2002 Corporate Affordable Housing Strategy promotes a sustainable approach to affordable housing through assisting in the expansion of the lower-end-of-market housing portion of the housing continuum to capture more of the population.

Financial Capacity

Current and Future Operating Budget:

The housing program for displaced Calgarians has been operated by the Office of Land Servicing & Housing and the Calgary Housing Company under existing approved operating budgets. Tenants help offset the costs by paying a rent geared to income, and existing Provincial subsidies make up the remainder of their rents.

For the development of additional temporary neighbourhoods, no operating budget currently exists. Council would be required to identify a source of funding to offset the operating costs of a temporary neighbourhood to establish rents that would be in line with market rents.

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Current and Future Capital Budget:

The emergency orders that authorized the temporary neighbourhoods for residents of Calgary displaced by the flood identified that the Province would be paying all construction and operating costs. This has been the case for the temporary neighbourhood constructed in Great Plains. No funds are available or contemplated by the Province to construct additional temporary neighbourhoods. Council would be required to identify a source of capital funding to develop additional temporary neighbourhoods, including land servicing, construction, operation and decommissioning costs.

Risk Assessment

There is a high degree of reputational risk involved in constructing temporary neighbourhoods as a form of housing, due to the high costs of construction and operation, and the low sustainability of the resulting product.

There is also a risk that there will be no demand in the market for temporary neighbourhood housing once it is constructed. This risk could be mitigated by conducting market research to identify the demands of the target demographic of affordable housing users.

REASON(S) FOR RECOMMENDATION(S):

As directed by Council, Administration has provided high level information on locations, zoning and how temporary housing could be delivered.

ATTACHMENTS

Site Selection Criteria, Development Schedule, and Cost Estimates