

City-owned Land, Riverdale

(S. McKeen)

Recommendation

That the April 30, 2018, Financial and Corporate Services report CR_5600, be received for information.

Previous Council/Committee Action

At the January 23, 2018, City Council meeting, the following Councillor inquiry was made:

Could Administration provide a report that:

- Gives a brief history of the City-owned lots in question; this should include outlining what factors informed the decision to put the lots up for sale at market value and whether or not any consideration was given to these lots being used for affordable housing.
- Outlines what steps were taken to consult with the neighbourhood on the future of these lots.
- Details the process that is used to determine whether or not City-owned land is suitable for affordable housing.
- Explains "Affordable Housing" according to the City, including the spectrum that falls within that definition and which types are most needed.
- Identifies the City-owned property adjacent or adjoining the sites in question that might be considered for future development.

Executive Summary

This report summarizes the history and redevelopment potential of the subject site, the relevant Area Redevelopment Plan and infill policies, the affordable housing review process and definitions, and the communication and consultation that have taken place with the Riverdale Community League. Administration has amended the property offering to address league concerns by including funding in support of affordable housing opportunities and requiring the purchaser to engage community members regarding proposed development.

Report

Site History

The subject site is comprised of three former residences located at 102 Avenue and 92 Street immediately below Rowland Road. The site is small (0.2 hectares), was acquired for Transportation purposes in 1968 and is zoned (RF2) Low Density Infill. Houses on the site were constructed in the 1920's and were rented out by Administration until they became too expensive to maintain. The last house was demolished in 2016.

Following the demolition, Administration convened staff from a number of business areas to review the Riverdale Area Structure Plan, Edmonton's Infill Roadmap and affordable housing plans to determine how best to use this vacant site. At this time Administration confirmed that there were currently no housing programs or funding approved or planned for this site.

Based on these integrated discussions among different City departments, a consensus arose that the existing zoning should be respected and that the site should be subdivided to allow for additional housing density to be developed and brought to market. The site was subdivided and five new lots were registered on June 14, 2017.

Riverdale Area Redevelopment Plan

The Riverdale ARP was approved by Council in January 1994. Section 3.7 *Development Opportunities for Affordable Housing* applies to the subject site. Policy 3.7.2 states:

The City will continue to maintain and rent existing City owned houses in Riverdale, as shown on Map 5, until the end of their economic life. After this time, the feasibility of redeveloping these properties for affordable housing will be examined.

The policy is expanded on in the discussion section which states:

The City Housing Commission has evaluated City owned parcels in Riverdale and determined that one site is suitable for development of affordable housing. Currently, and in the foreseeable future, there are limited resources to write down land costs for low cost housing. Existing programs for subsidized housing have been cancelled and there are only a few groups that build low cost housing. It is therefore not appropriate to hold too many sites off the market for affordable housing and suitable sites should not be held indefinitely.

There are six City owned houses (Attachment 2) in Riverdale that are still in fair condition and provide reasonable rental accommodation. The City will continue to rent these properties until it is no longer economically feasible to maintain them, at which point they will be considered for redevelopment to low cost housing.

As of 2017, the Riverdale community includes approximately 13 percent affordable housing, which is an amount greater than the aspirational targets recently endorsed by Council.

Discussions with Community League

During the development of the Riverdale ARP the public was engaged regarding future use of land. This input was used to develop the ARP and inform the approved land uses that define property development rights in the plan area.

Administration met with the Community League on July 21, 2017, to provide information about the site history and relevant Riverdale ARP and Council infill direction influencing Administration's plans to offer the site for sale. At that meeting the league expressed its interest in additional affordable housing development in Riverdale and inquired about the planned property offering contents. This meeting included a discussion of the Riverdale ARP direction related to the site. The site sale offering was put on hold to allow Administration to further review affordable housing funding options. Administration also provided the league with requested information regarding the current amount of affordable housing in Riverdale.

In August, 2017, Administration received email correspondence from an adjacent resident sharing concerns over the vacant lots remaining vacant and expressing support for the planned disposition of the lots.

Administration met with the Community League again on September 19, 2017, to further discuss the ARP direction and the Community League's interest in having a community engagement session regarding development of the site. Administration advised that it is not typically City practice to engage the community regarding vacant lots intended to be offered for sale when those lots comply with the current zoning. However, given the interest expressed by the community, Administration agreed to review options for increasing the affordability of future housing development on the site.

To address the league's interest in affordable housing development, Administration investigated and confirmed that:

- secondary suites provide an opportunity for market affordable housing to be created,

- secondary suites are a permitted use for the site (RF2 - Low Density Infill zone),
- new lots meet the current minimum lot area requirements to have a secondary suite, and
- City Cornerstone Program funding for secondary suites development is available and will provide up to \$20,000 for each lot to encourage creation of affordable rental suites, thus supporting an increase in the supply of both market affordable and non-market affordable housing.

The introduction of funded secondary suites aligns with Council's direction on infill development and will enable up to ten families to reside on the new lots with both ownership and rental housing choices being available. Based on discussion with the league, Administration revised the proposed property offering to:

1. include available Cornerstone Program funding for secondary suite development,
2. require buyers to outline their proposed design engagement process,
3. require buyers to indicate how they will develop effective working relationships with existing adjacent homeowners, and
4. require buyers to provide information on their previous development experience in construction management, engaging existing residents and developing new homes in established communities.

The Property Offering is ready to be advertised but has been placed on hold pending Committee's consideration of this report.

Affordable Housing Process

The City of Edmonton is committed to leading city-wide efforts to provide the fullest range of housing choices possible in all areas of the city, including affordable housing. The City's role in affordable housing is that of a limited funding partner, where City land and capital contributions are intended to leverage significant amounts of funding from other orders of government. The City typically encourages using City-owned land to complement capital funding from other orders of government.

Administration currently requires all City-owned land identified for sale to be reviewed for its suitability for affordable housing. Sites are prioritized based on proximity to transit stations and other community amenities. In addition, sites are prioritized in neighbourhoods where there is a lack of affordable housing options.

Administration is currently refining processes for site selection for affordable housing. More information will be brought forward to Committee later this year.

Affordable Housing Definition

For the purposes of this report, market affordable housing is defined as *rental or ownership housing that is modest in form and capable of being produced for moderate income households without upfront or on-going direct government subsidy*.

Non-market affordable housing is defined as *rental or ownership housing that requires a subsidy either in the form of a capital grant and/or ongoing operating funding to house those who earn less than the median income for their household size*. For further definitions of the range of housing types along the affordability spectrum see the Glossary of Terms in [Attachment 3](#). At this time, a supply gap exists in all areas of the spectrum. More information about the precise need for each type of affordable housing was presented to City Council on April 25, 2018, in Citizen Services report CR_5850 Affordable Housing at the City of Edmonton.

Adjacent City Land

The City owns many properties in Riverdale, including land immediately north and west of this site (see Attachment 4). City-owned land to the north forms part of the hillside below Rowland Road. These lands are zoned [Metropolitan Recreation Zone \(A\)](#) and have reserve designations on title that limit their use. City-owned land west of the site also form part of the hillside below Rowland Road. This land is included in road right of way plans and is zoned [Metropolitan Recreation Zone \(A\)](#).

There are challenges to developing these City-owned parcels north and west of this site. These lands would require removal of reserve designation, changes to both the ARP and site zoning along with investigation of slope stability and closure of road right of way. The City has no intention to bring forward these sites for sale, at this time.

To the south and west of the site, the City owns one vacant lot that is planned to be offered for sale for new housing development (see Attachment 4).

Corporate Outcomes and Performance Management

| Corporate Outcome(s): Edmonton is attractive and compact | | | |
|---|---|---------------|--|
| Outcome(s) | Measure(s) | Result(s) | Target(s) |
| Surplus land is brought to market enabling site development to occur | Number of new development sites are added to existing areas | TBD (Q2 2018) | Five new sites listed for sale by City (Q2 2018) |
| Corporate Outcome(s): The City of Edmonton has a resilient financial position | | | |

| Outcome(s) | Measure(s) | Result(s) | Target(s) |
|---|--------------------------------------|---------------|---|
| Surplus land creates new sale and tax proceeds which support City programs delivery | Number of new development sites sold | TBD (Q4 2018) | Five new sites sold by the City (Q4 2018) |

Attachments

1. [Subject Property](#)
2. [Riverdale ARP Map 5](#)
3. [Glossary of Housing Terms](#)
4. [Adjacent City Land](#)

Others Reviewing this Report

- C. Campbell, Deputy City Manager, Communications and Engagement
- R. Smyth, Deputy City Manager, Citizen Services
- L. McCarthy, Deputy City Manager, Urban Form and Corporate Strategic Development

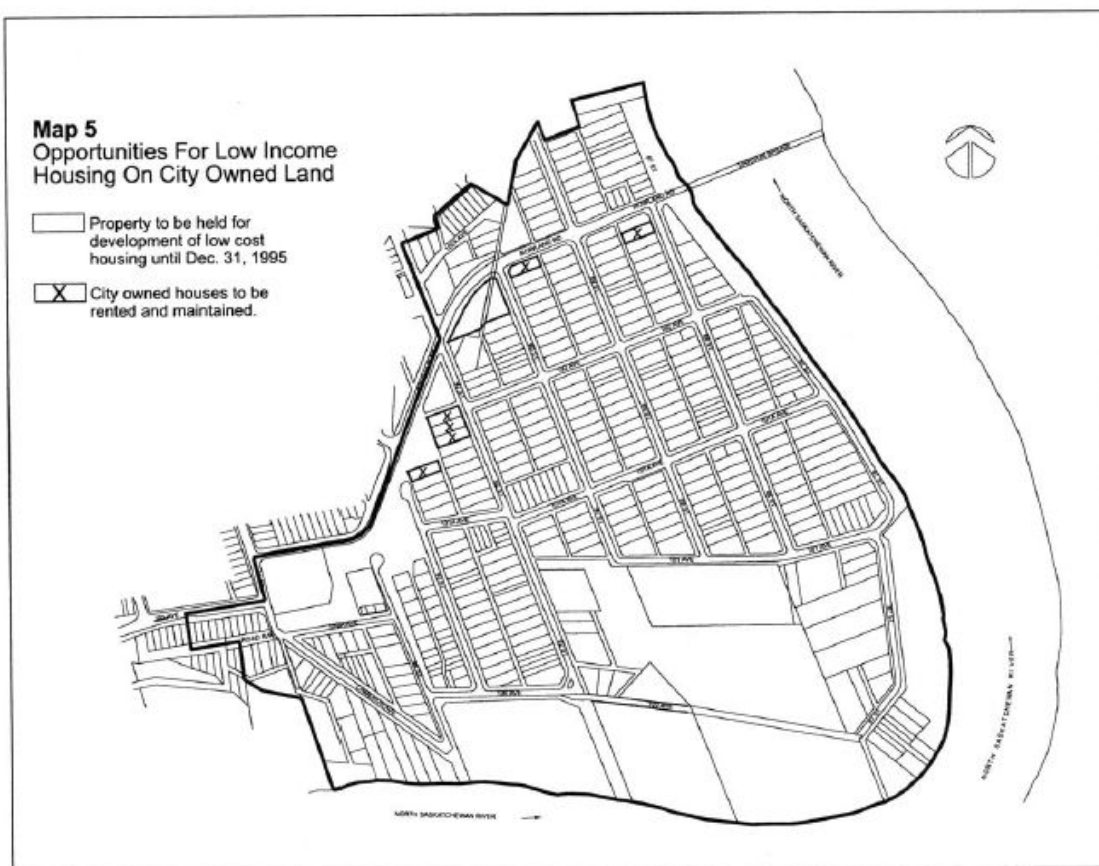
Subject Property



Riverdale ARP Map 5

New Development Opportunities

Bylaw 15319
Approved January 18, 2010



Page 34 Riverdale Area Redevelopment Plan – Office Consolidation June 2010

Glossary of Housing Terms

Housing Spectrum

The housing spectrum below consists of both short-term subsidized accommodation and affordable housing (non-market).

| Short-Term Subsidized Accommodation | | Affordable Housing (Non-Market) | | | |
|-------------------------------------|----------------------------|---------------------------------|--|---|---------------------------------------|
| Emergency Shelter Spaces | Transitional Accommodation | Permanent Supportive Housing | Social Housing (also known as Community Housing) | Near-Market Affordable Housing (Rental) | Near-Market Affordable Home Ownership |

Short-Term Subsidized Accommodation

There are two types of accommodation in this category:

1. *Emergency Shelter Spaces* which provide very short stay (typically overnight) crisis beds.
2. *Transitional Accommodation*, while not permanent housing, allow for a longer length of stay than emergency shelters and provide services beyond basic needs. These facilities offer more privacy to residents than emergency shelters, and place greater emphasis on participation. This housing type is targeted to those in need of structure, support, and/or skill-building to move from homelessness to housing stability and ultimately to prevent a return to homelessness.

Affordable Housing (Non-Market)

Affordable Housing is defined as rental or ownership housing that requires up-front and/or ongoing direct government subsidies. These subsidies ensure that affordable housing has rental or mortgage payments below average market cost and is targeted for occupancy by households who earn less than median income for their household size. The City of Edmonton uses the term Affordable Housing in a generic sense that is inclusive of four specific types:

1. Permanent Supportive Housing - Housing that includes supports and services integrated into the housing and no length-of-stay duration. Services depend on tenants' needs and are provided to help residents maintain independence and stability and to promote social inclusion. While seniors care facilities for frail elderly and persons with cognitive impairment (e.g. dementia) are sometimes included in this category, it is generally agreed that this type of housing is more attributed to assisting persons who are homeless or at risk of homelessness.

Edmonton's Updated Plan to End Homelessness describes three types of permanent supportive housing:

- PSH1 (Low Intensity): 24/7 tenancy management and mobile support workers as needed;
- PSH2 (Medium Intensity): 24/7 tenancy management, on-site non-clinical supports, in-reached health services; and
- PSH3 (High Intensity): 24/7 tenancy management, on-site clinical supports, in-reached health and disability (PDD) services.

2. Social Housing (also known as Community Housing) - Rental housing for persons in 'core housing need' provided on a rent-g geared-to-income basis (the amount of rent to be paid by tenants is based on the amount of income earned, often as a percentage of the tenant's income). Social Housing is also referred to as Public Housing, deep-subsidy, or Community Housing.
3. Affordable Housing - Rental housing where a subsidy (often one-time, up-front) is provided to keep rents just below (typically 15 percent below) average market cost and is targeted for long-term occupancy to households with incomes approximately 80 percent of the median renter income for their household size. Affordable is also referred to as a shallow subsidy.
4. Affordable Home Ownership - Home ownership programs that focuses on those who are independent and who have earnings which are less than the median income and generally do not require an ongoing government subsidy. This can be accomplished with flexible lending terms and longer loan periods to keep payment amounts affordable. Examples of this housing type could include the Habitat for Humanity program model, the First Place program and some types of cooperative housing.

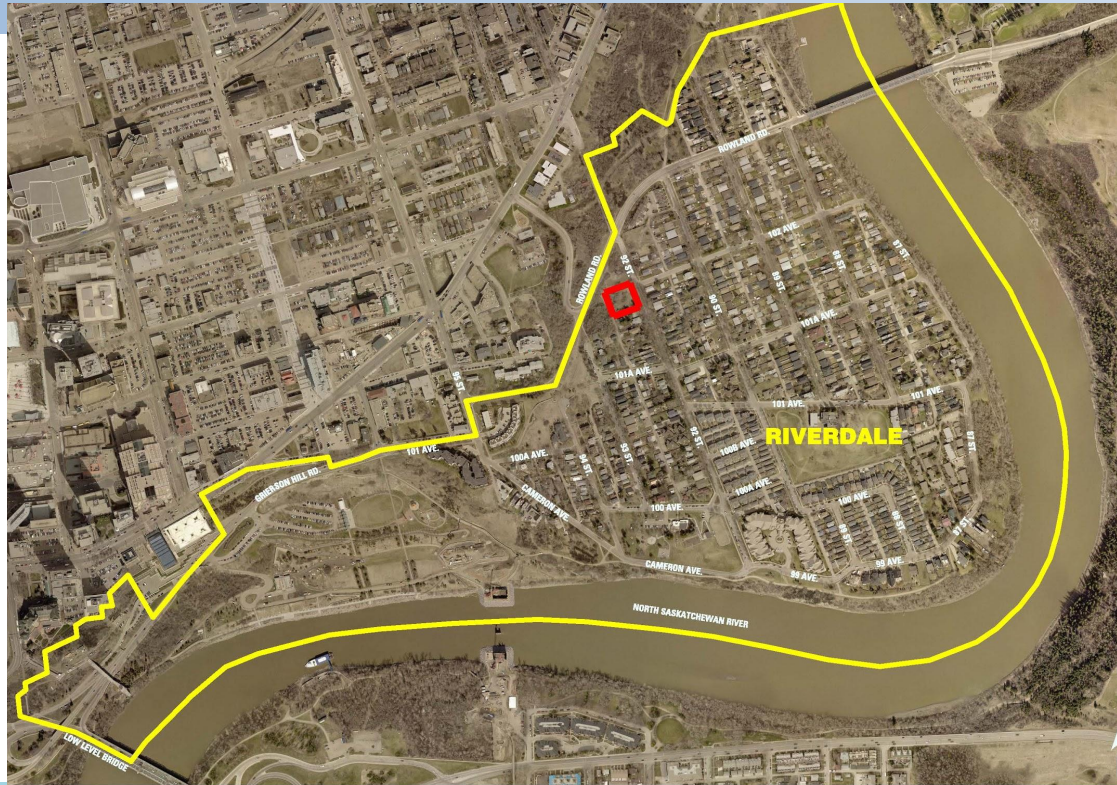
Adjacent City Property



Report CR_5600

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Site Context & History



Discussions with Community League

Administration:

1. Met with League regarding site in July 2017.
2. Deferred bringing site to market.
3. Met with League again in September 2017 to share information regarding ARP and affordable housing funding.
4. Revised the property offering to:
 - a. Include program funding for secondary suites
 - b. Require information regarding builder experience engaging residents and building in established neighbourhoods

Discussion with Affordable Housing Staff

Site discussion revealed:

1. Building site is small, with limited development potential.
2. Riverdale currently has ~13% affordable housing.
3. No funding from other orders of government available at this time.
4. Available City housing resources may provide greater impact on a different, larger site.
5. Funding from the City's housing reserve is available for this site (to fund secondary suites as a form of affordable housing).

Adjacent City Land - Development Challenges

1. Removal of Reserve Designation
2. Changes to Area Redevelopment Plan
3. Changes to current zoning
4. Closure of Road Right of Way
5. Slope stability investigation



Conclusion

- Administration has worked to understand and accommodate league interest.
- This building site sale has been placed on hold pending Council receipt of this report.
- The building site is ready to be offered to market.