

Policy Directions for 2009 Surplus School Sites Development

Recommendation:

That Executive Committee recommend to City Council:

That Guidelines for Development of the 2009 Surplus School Sites Policy C583, as set out in Attachment 1 of the June 30, 2015, Sustainable Development report CR_2360rev, be approved.

Report Summary

This report presents draft City Policy C583 and Appendix, which will provide consistent direction for development of the 17 undeveloped building sites declared surplus to school board and civic use needs and placed on the City's land inventory in 2009.

Previous Council/Committee Action

At the May 26, 2015, Executive Committee meeting, the following motion was passed:

That the May 26, 2015, Sustainable Development report CR_2360 be referred back to Administration to bring forward a policy as outlined in Attachment 2, including a clear statement of the density ranges and the market and non-market housing targets.

Report

The draft City Policy C583 (Attachment 1) provides parameters for the development of the 17 undeveloped building sites in medium-density and potentially mixed-use housing forms, with a mix of non-market and market housing.

The draft Appendix for Policy C583 (Attachment 2) defines key terms in the Policy, including the three non-market housing types for inclusion in these developments. These three non-market housing types are also referenced in the "Housing and Support Framework" adapted from the Edmonton Area Community Plan on Housing and Supports, and described in Attachment 3.

This Policy will be used along with community input and professional analysis, recognizing the individual nature of the neighbourhoods, to create reports and recommendations to Executive Committee and Council to achieve developments consistent with the draft Policy.

Policy C583 will communicate the expectations for these sites to the communities in which they are located, while allowing communities to provide input and direction on

density, built form, re-siting of the undeveloped building site on the larger surplus school site, recommendations for ancillary uses, and the types of non-market housing to be included. Administration has been piloting a new public engagement process for the proposed Sakaw seniors housing development and for the sites in Ogilvie Ridge and Keheewin, and the draft Policy will assist in providing consistent and transparent Council direction to the public regarding these sites. Subject to successful evaluation in the pilot public engagement developments, Administration will apply the new public engagement process to all of the other sites. Based on input from the community, Administration will prepare site-specific reports and recommendations to City Council on the rezoning of these sites, the removal of reserve designations, and statutory plan amendments.

Subject to Council approval of the 2016-2018 three-year operating budget and the availability of Provincial funding, eight of the sites will be developed over the next three years. However, the uncertainty of capital funding from other orders of government will significantly impact the pace of these developments.

Seniors Housing Sites

On October 15 and 16, 2012, City Council passed motions to rezone eight of the 20 undeveloped building sites on land declared surplus by the School Boards in 2009 to RA7 (Low-Rise Apartment Zone) for development to accommodate seniors housing, associated seniors uses and ancillary uses. Those motions did not include direction on the inclusion of a non-market housing component or on the inclusion of permanent supportive housing with on-site, staffed supports. These seniors housing sites are in the Wedgewood Heights, Miller, Overlanders, Bulyea Heights, Sakaw, Kiniski Gardens (North Site), Blue Quill, and Caernarvon neighbourhoods.

One site (Sakaw) is proposed for development and has been used to help develop and refine the criteria presented in this report. The planned 70 percent non-market component of the proposed Sakaw development is enabled with \$20 million in announced funding from the Province, and \$6.7 million from the City, comprising \$4.2 million in City Cornerstones funding and \$2.5 million in City land value.

Remaining Sites

Of the remaining twelve sites from the 2009 school board offering, three (Ermineskin, La Perle [East Portion] and Aldergrove) have been retained for civic purposes (e.g. dry pond, parkland), and the remaining nine are being considered for residential development. The nine remaining sites must have their reserve designations removed, statutory plans amended and be rezoned before development can occur on the sites. These sites are in the Ogilvie Ridge, Keheewin, Kiniski Gardens (South Site), Belmont, Dunluce, Henderson Estates, La Perle (West Portion), Lymburn and Summerlea neighbourhoods.

Policy

This report and draft City Policy C583 are consistent with Edmonton's Municipal Development Plan, *The Way We Grow*:

- Policy 4.5.1.5 – Review the potential of acquiring and using surplus lands owned by all orders of government, to accommodate the development of long-term affordable housing units; and
- Policy 4.2.1.6 – Optimize the use of existing infrastructure in established neighbourhoods.

Corporate Outcomes

This report and draft City Policy C583 contribute to *The Way We Grow* Corporate Outcomes "Edmonton is attractive and compact" and "Edmonton has sustainable and accessible infrastructure" by facilitating the development of affordable and infill housing on surplus school sites.

Budget/Financial Implications

The total government capital funding requirement for development of all 17 sites (including Sakaw) with a 50 percent non-market housing component is estimated at \$216 million. This is based on:

- \$196 million for development of 600 non-market units on the eight seniors housing sites (based on projected total government funding similar to the proposed Sakaw project), in developments that would also include 600 market housing units
- \$20 million for development of 180 non-market units on the nine other remaining sites, in developments that would also include 180 market housing units.

It is proposed that the \$216 million would be cost shared:

- \$47 million in City funding
- \$29 million in City land value (Attachment 4)
- \$140 million in provincial funding (seven sites).

City funding of \$47 million is subject to City Council approval as part of the 2016-2018 operating budget. Uncertainty of provincial funding could impact the timing of developments.

Public Policy Implications

Selling the lands at less than market value increases the affordability of the housing provided, but reduces the residual funds credited to the Funds in Lieu Reserve Account. Alternatively, Council could sell the land at market value, with the residual funds going to the Funds in Lieu Reserve Account. Council could then issue a grant from the Affordable Housing Reserve to offset the purchase price and increase affordability. However, the current balance of the Affordable Housing Reserve is not sufficient to offset the total value of the lands.

Justification of Recommendation

This recommendation will create a Policy to ensure consistent implementation of the Council-approved guidelines for the development of these 17 sites.

Attachments

1. Draft City Policy C583
2. Draft Appendix to Policy C583
3. Housing and Support Framework
4. Development Plan for 2009 Surplus School Sites

Others Reviewing this Report

- K. Rozmahel, General Manager, Corporate Services
- T. Burge, Chief Financial Officer and Treasurer
- L. Cochrane, General Manager, Community Services