

Policy Directions for 2009 Surplus School Sites Development

Recommendation:

That the May 26, 2015, Sustainable Development report CR_2360, be received for information.

Report Summary

This report documents five criteria for development of 17 undeveloped building sites on properties declared surplus to school board needs and placed on the City land inventory in 2009.

Report

In 2006, City Council approved the removal of the reserve designations and statutory plan amendments for the entire Joint Use Agreement properties in Blue Quill, Bulyea Heights and Dunluce, where there were also undeveloped building sites for First Place development. At the City Council Public Hearing held on October 15 & 16, 2012, several motions were passed relating to rezoning, removal of reserve designations and statutory plan amendments to permit the development of housing for seniors on eight of these sites.

This report has been prepared to inform City Council of the five criteria for the residential development of these undeveloped building sites:

1. A mix of market and non-market housing units in the overall developments.
2. Long-term affordability of the non-market housing component.
3. Included non-market housing types visually indistinguishable from the market housing types in the developments.
4. Built form/density to exceed the Capital Region Growth Plan density target for Edmonton of 30-45 dwelling units per net residential hectare.
5. Permitted inclusion of ancillary uses (for example, modest community centre or meeting facilities).

See Attachment 2 for additional details on the criteria.

The primary purpose of the criteria is to enable Administration to engage consistently with communities in which these sites are located. The intent is to use these criteria, community input and professional analysis, recognizing the individual nature of the neighbourhoods, to create recommendations for the future residential development for each site. Uncertainties of capital funding from other orders of government will significantly impact the ability of Administration to achieve the 50 percent non-market housing target for these developments and in the desired time-frame for development.

For the purposes of this report, “non-market housing,” is defined as in the Edmonton Area Community Plan on Housing and Supports: 2011-2015:

- “...housing that is operated and funded or created through direct government subsidies and includes different categories of housing based on the associated services needed by the clients.”

The non-market housing types identified for inclusion on these sites, and depicted in the “Housing and Support Framework” adapted from the Community Plan (Attachment 1) are:

- Permanent Supportive Housing
- Supported Housing, and/or
- Affordable Housing.

Seniors Housing Sites

Of the 20 undeveloped building sites on land declared surplus by the School Boards in 2009, on October 15 and 16, 2012, City Council passed motions to rezone eight of those properties 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. The seniors housing sites are located in Wedgewood Heights, Miller, Overlanders, Bulyea Heights, Sakaw, Kiniski Gardens (North Site), Blue Quill and Caernarvon.

One site (Sakaw) is under development and has been used to help develop and refine the criteria presented in this report. The planned greater than 50 percent non-market component of the 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 12 sites from the 2009 school board offering, three (Erminskin, La Perle (east site), and Aldergrove) have been retained for civic purposes (e.g. dry pond, parkland), and the remaining nine are being considered for residential development. None of the nine remaining sites have been rezoned or had their reserve designations removed or statutory plans amended. These sites are in Ogilvie Ridge, Keheewin, Kiniski Gardens (South Side), Belmont, Dunluce, Henderson Estates, La Perle, Lymburn and Summerlea.

Administration considers residential use to be the best use of these nine sites and is currently piloting a new public engagement process in 2015. The purpose is to generate information for a report and recommendations on the re-purposing of the sites in Ogilvie Ridge and Keheewin.

Policy

This report is consistent with *The Way We Grow*, Edmonton's Municipal Development Plan:

- 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.

Budget/Financial Implications

The total government 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 Sakaw), 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 over 2015 - 2020:

- \$47 million in City funding
- \$28 million in City land value
- \$140 million in provincial funding (seven sites).

Site servicing costs will be associated with a phased development of sites following the completion of a public engagement process and Council approval of changes to zoning. The City will also require additional capital funding for site servicing costs. Attachment 3 shows the City funding breakdown by site and by year. The operating and capital requirements will be brought forward through the operating and capital budget processes to be considered in alignment with other corporate and Council priorities.

Developing all 17 sites will require significantly more funding from the Province and the City than that which is currently available. The current funding roadmap for the City of Edmonton Cornerstones program includes \$3.5 million for development of the 17 surplus school sites, with potential for \$3.5 million more, if there is a year-end budget surplus in 2015. Based on the Sakaw model the total of \$7 million would allow the City to develop one seniors housing site, but with no funding for development of any other sites. All other funds in the Affordable Housing Reserve are either fully committed or in negotiation for commitment. Without additional funding, the City will have to compromise on its 50 percent non-market housing target and overall development time-frame for all of these sites.

Attachments

1. Housing and Support Framework
2. Criteria to Guide Development on the 2009 Surplus School Sites

3. Development Plan for 2009 Surplus School Sites

Others Reviewing this Report

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