

**PROPOSED METHOD OF DISPOSITION – EAU CLAIRE & DOWNTOWN COMMERCIAL
CORE – WARDS 7& 8 (ALD.FARRELL & KING)
FILE NO: 727- 1 AVENUE (JR&LC)**

SUMMARY/ISSUE

Authorization to negotiate a sale by direct negotiation as a result of the Mayor's Roundtable on Affordable Housing.

PREVIOUS COUNCIL DIRECTION/POLICY

On 2003 June 9 Council approved C2003-44 Affordable Housing Implementation Plan and Funding. It was this plan that identified that The City target was for 200 units while the community target was an additional 200 units.

On 2004 July 24 Council approved LAS2004-178 Affordable Housing Sustainable Resource Management Plan - Phase 2: Short Term Development Strategy 2004. Council directed Administration to *"take a leadership role in the development of 200 units of affordable housing annually to maximize the Affordable Housing Partnership Initiative funding"*

On 2005 December 12, Council approved 2006 Corporate Goals in APA200538a where they identified "through direct development and partnerships, initiate development of 200 units of non-market housing (pending available senior government funding) for 2006,2007,2008 respectively.

On 2006 June 12, LAS2006-78 Affordable Housing Strategic Financial Plan was approved.

ADMINISTRATION RECOMMENDATIONS:

That the Land and Asset Strategy Committee recommend that Council:

1. Authorize the method of disposition, recommendation as outlined in Attachment 2.
2. Direct Administration to work with the proponent to determine if a satisfactory

agreement can be achieved. This agreement may include direct sale of one or more of the subject parcels at full market value.

3. Direct Administration to submit the recommended terms and principles for evaluating unsolicited proposals prior to recommending any further direction on the subject proposal.
4. Direct that Attachment 4 be removed from this report prior to being forwarded to the 2006 October 16 Combined Meeting of Council and that Attachment 4 remain confidential pursuant to Section 24 (1) (g) of the Freedom of Information and Protection of Privacy Act and that Council consider Attachment 4 in camera if requested by Council.
5. That the Recommendations and Report remain confidential under Section 25(1) of the Freedom of Information and Protection of Privacy Act until the report is published in the Agenda for the 2006 October 16 Combined Meeting of Council.
6. That report LAS2006-144 be forwarded as an item of urgent business to the 2006 October 16 Combined Meeting of Council.

**RECOMMENDATION OF THE LAND AND
ASSET STRATEGY COMMITTEE DATED
2006 OCTOBER 10:**

That the Administration Recommendations contained in Report LAS2006-144 be approved.

Opposition to Recommendation

OPPOSED: Alderman McIver

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INVESTIGATION

In 2004 the Mayor lead a roundtable on affordable housing. The roundtable included a broad cross section of stakeholders including Council members, developers, administration, advocacy groups and representatives from the Calgary Housing Company. One of the central elements of the roundtable was discussion that focused on identifying ways to encourage the private sector participation in the affordable housing market. Out of the roundtable initiative, the City received three proposals for affordable housing. Due to location, program details and overall budget considerations, only one proposal was deemed to have substantive opportunity.

The substantive proposal is the subject of this report. Submitted by The LaCaille Group, the proposal calls for the sale of the existing 72 unit affordable housing project at 727 1st Avenue SW and redevelopment of an existing City owned parcel located at 4th Avenue and 8th Street SW. The existing affordable housing project on 1st Avenue is in significant need of repair and has numerous operational challenges. The LaCaille Group proposes to develop approximately 90 units of affordable housing on the 4th Avenue property as part of an agreement which would see them take ownership of the 1st Avenue property.

Having received and reviewed the merits of the proposal, Administration feels that there is a significant opportunity to create both new units and replace ones requiring significant repair.

Since receiving the LaCaille Group proposal, the need for a west downtown fire station has emerged as an urgent requirement. Administration has considered the matter and believes a creative and cost effective solution can be found that would include a fire station,

non-market housing development and a market housing development. The project would include the entire 4th Avenue property and the sale of the 1st Avenue property.

IMPLICATIONS

General

The ability to develop affordable housing units goes towards one of Council's specific priorities. The ability to create a comprehensive development program should aid this by intensifying density and reducing the need for more land.

Social

The existing 1st Avenue affordable housing project has substantive upgrading requirements and significant operational challenges evidenced by continued substance abuse, property crime and illegal behavior. Removing the project and creating a new environment at a different location may help in creating a more desirable form of affordable housing.

Environmental

Any environmental review required pursuant to the S.A.L.E. Policy will be conducted prior to sale.

Economic (External)

By creating comprehensive development it limits the need for new land and outward growth. The City's leadership on City owned property can serve as an example to other property developers as how creative solutions can be both financial feasible and practical.

BUSINESS PLAN/BUDGET IMPLICATIONS

The proposed fire station is part of an existing capital budget program.

Any potential costs associated with the affordable housing component will be considered part of the financial plan approved by Council.

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RISKS

The proposal relies upon \$100,000 per door funding from the Affordable Housing Partnership Initiative (AHPI). An application for this funding has not been submitted.

This is the first step towards developing a properly detailed agreement. At any point either party may decide the agreement no longer works in their respective favour and thus the agreement would not proceed.

VALUATION

The reserve price of the Property will be based on an external appraisal and will be approved by Corporate Properties and Buildings Valuations Committee comprised of accredited appraisers.

ATTACHMENTS

1. Site Map
2. Recommendations
3. Summary of Additional Property Information
4. **Removed as per direction of Committee**