

## **CITY OF FORT SASKATCHEWAN**

### **Habitat for Humanity Site Selection Process**

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#### **Motion:**

That Council provide the balance of the Provincial Affordable Housing Grant (\$692,903 as of January 2016) to Habitat for Humanity for the purpose of purchasing land within the City of Fort Saskatchewan in order to construct 8 duplex lots (16 total units) for the Habitat for Humanity Program.

#### **Purpose:**

To follow up with the motion passed by Council on March 8, 2016: "That Council direct Administration to bring back a report to the April 12, 2016 Council meeting outlining other site alternatives, including the purchase of land and funding options, to provide for a Habitat for Humanity build."

#### **Background:**

Habitat for Humanity is a successful, world-wide, not-for-profit organization that assists families achieve home ownership. The City of Fort Saskatchewan and Habitat for Humanity have worked together on three projects within the community.

Administration has been in discussions with Habitat over the last year regarding the need to start looking for another project location. It is the desire of Habitat for Humanity to undertake a project within the City of Fort Saskatchewan that starts this summer and concludes in the fall of 2017 that adds at least 12 new Habitat for Humanity dwellings to the community.

In October of 2014, Council directed Administration to undertake an analysis of all City owned properties that would be suitable for a multi-unit Habitat for Humanity build. That work was undertaken and on January 26, 2016, Council directed Administration to move ahead with public consultation with respect to the property at 9507 - 93 Avenue. This site was deemed to be the only suitable City owned property for this type of project.

On March 8, 2016, Council directed Administration to discontinue the public engagement regarding the site at 9507 - 93 Avenue and to bring back other options for consideration to the April 12, 2016 Council meeting.

#### **Analysis**

Based on the prior work undertaken, it is believed that the City does not currently own property that will fit the criteria for Habitat for Humanity that will allow for a build with a significant number of units in a location that is suitable for low/medium density residential uses. While a second look was taken at City owned property through this research, the conclusion holds true that there is no suitable land currently owned by the City.

Administration scanned other properties within the City that are currently for sale, which have the potential for infill development. There were some common challenges encountered through the search involving:

- Site specific challenges – Some of the sites had unique characteristics that either drove up the costs or made development difficult.

- Cost – The land cost was too high to make it feasible for Habitat for Humanity, or there were site reclamation or preparation issues that created additional cost.
- Location – The site was not suitable for the specific land use or it was noted that there was an issue with access or other logistics.

Any sites that were not considered to be infill were investigated by Habitat for Humanity in collaboration with Administration. It is deemed more likely that Habitat will get a better financial arrangement on the purchase price, and it prevents the City from having to acquire land, and transfer it to another entity.

## **Findings**

A total of 11 sites were analyzed, 6 sites were developer owned, 3 sites were privately owned, and two City owned sites were revisited. The following criteria was used in the evaluation:

- Cost – Cost per unit including all incidentals and overheads.
- Zoning – Is there a residential zoning in place or is a rezoning required?
- Suitability – Does a medium density residential project fit in this neighbourhood?
- Capacity – Minimum 8 lots (16 units) is desirable. Habitat for Humanity has expressed a strong desire to have all lots in the smallest number of locations possible in order to gain economies of scale with their build. Multiple sites requires multiple staging areas to be set up.

### Six developer owned sites:

All of the sites were looked at and found to be acceptable from the perspective of the zoning and site suitability, although two of the sites did not have the capacity for all 16 units. The cost of any of these options was found to be comparable as the competitive market within Fort Saskatchewan has set prices fairly close amongst the different developers. This was confirmed when looking at list prices. Upon some informal discussion with the development community, it is believed that Habitat for Humanity is in a better position to negotiate the purchase of lots directly with developers in green field sites, while the City is in a better position to negotiate for infill sites.

### Three privately owned sites:

Two sites were looked at located in the downtown area and one located near a residential area. The two downtown sites are not for sale at the present time and the third site is not big enough to hold a significant number of residential lots.

### City owned sites:

Two City owned sites were revisited to further assess their potential as they were not short listed in the original list of City owned property.

99<sup>th</sup> Ave and Highway 15:



Further analysis on the potential of this property was undertaken. At this time it is deemed too risky to move forward with development in this piece of land due to the unknowns regarding the future of the bridge and the Highway 15 right-of-way. There are also significant access issues associated with this site.

Community Gardens Land (86 Ave and 109 St):



Upon further analysis, this piece of land has shown potential for future development. It was assumed in the initial search that this was parkland but it is actually zoned as Urban Reserve which means it has future development potential.

It is not recommended that this land be considered for development at this time although it is worth considering in the future once the future development pattern of the City is better known. The development of this land is linked to the potential future servicing of the Clover Park subdivision. In addition there are significant servicing costs associated with the land. It is not felt that granting this piece of land would be more economical than purchasing serviced land somewhere else in the City.

Recreational parks and lands designated as Municipal Reserve were not considered in the search.

### **Summary**

The business case did not show that having the City purchase and donate land to Habitat for Humanity would be more economical overall, than having Habitat for Humanity take the Affordable Housing Grant and purchase land on their own. Any piece of land analyzed has unique challenges and development costs. As such, it is recommended that the City grant the balance of the Provincial Affordable Housing Grant (\$692,903 as of January 2016) to Habitat for Humanity for the purpose of purchasing land within the City of Fort Saskatchewan. This would come with the expectation that Habitat for Humanity build a minimum of 16 lots within City limits starting during the 2016 calendar year with completion in the fall of 2017. Habitat for Humanity is believed to be in a better position to negotiate with developers due to their legal status as a not-for-profit charity.

Providing this money to Habitat for Humanity will leave the Move-Up Program unfunded at this time.

### **Plans/Standards/Legislation:**

This initiative is consistent with the City's Corporate Strategic Goals of:

- Promote sustainability through infill development
- Opportunity to increase accessible and affordable housing within the community

### **Financial and Administrative Implications:**

The Move-up Program was launched on December 9, 2013 and in that time, one family has been able to benefit from the Program. The Move-up Program is currently being insured by Genworth Canada and mortgages are given through local financial institutions ATB Financial and Servus Credit Union. Currently the Provincial Affordable Housing Grant balance is \$692,903.

The thresholds set by the Alberta Government are far too restrictive for the housing environment within the City of Fort Saskatchewan which has made the Program uptake extremely poor. Even with the moderate drop in housing prices seen recently, there are still significant challenges in using the Program to get families into home ownership. As long as the Provincial Affordable Housing Grant is being used as the funding source, it is believed that the Program will struggle to be effective.

### **Internal Impacts:**

Providing a grant to Habitat for Humanity to purchase land will result in a minimal impact of staff resources, as the City will have no direct role in the project. Habitat for Humanity will be responsible for purchasing land and building the units.

**Alternatives:**

1. That Council provide the balance of the Provincial Affordable Housing Grant (\$692,903 as of January 2016) to Habitat for Humanity for the purpose of purchasing land within the City of Fort Saskatchewan in order to construct 8 duplex lots (16 total units) for the Habitat for Humanity Program.
2. That Council allocate a specified portion of the dollars from the Provincial Affordable Housing Grant to Habitat for Humanity for the purpose of purchasing land within the City of Fort Saskatchewan in order to construct 8 duplex lots (16 total units) for the Habitat for Humanity Program.

**Recommendation:**

That Council provide the balance of the Provincial Affordable Housing Grant (\$692,903 as of January 2016) to Habitat for Humanity for the purpose of purchasing land within the City of Fort Saskatchewan in order to construct 8 duplex lots (16 total units) for the Habitat for Humanity Program.

**Attachments:**

Habitat for Humanity Council Request Letter

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File No.:

Approved by: Troy Fleming  
General Manager, Infrastructure  
& Community Services

Date: April 5, 2016

Reviewed by: Kelly Kloss  
City Manager

Date: April 6, 2016

Submitted to: City Council

Date: April 12, 2016