

# Housing Affordability in Supporting Diverse, Inclusive and Complete Communities

## Recommendation:

That Executive Committee recommend to City Council:

That Administration prepare a City Policy based on the City-Wide Affordable Housing Framework as described in the July 4, 2017, Sustainable Development report CR\_4625.

## Report Summary

**This report confirms the City of Edmonton's commitment to increase the supply of non-market affordable housing in all areas of the city.**

## Report

Current City policies provide strong support for a city-wide approach for the development of affordable housing. For example, *The Way We Grow* directs the City to meet a wide range of affordable housing needs in all areas of the city, and to ensure all neighbourhoods have a range of housing choice to meet the needs of all demographic and income groups. The City's Affordable Housing Strategy establishes a goal of increasing the supply of affordable housing in all areas of the city.

Affordable housing is fundamental to the physical, economic and social well-being of individuals and families. Affordable housing also provides direct and indirect benefits to neighbourhoods and the local economy. Having a diverse range of housing types, including affordable housing, brings new residents to neighbourhoods which contributes to community stability, livability and resilience. A range of housing options encourages a healthy labour market by attracting new workers to the city and provides opportunities for families to prosper and remain in neighbourhoods of their choice. Affordable housing is also an important component of both EndPoverty Edmonton and the 10 Year Plan to End Homelessness.

## Definition of Non-Market Affordable Housing

For the purposes of this report, 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 2.

### City-Wide Affordable Housing Framework

While a Regional Housing Strategy should encourage all Capital Region member municipalities to strive for a range of housing choices in all areas, the following principles have been developed as a framework to guide the planning and development of proposed City-led projects, and when evaluating housing proposals from community agencies and the private sector. The goal is to increase the supply of non-market affordable housing in all areas of Edmonton.

1. The City of Edmonton will strive to achieve diverse, inclusive and complete communities with a range of housing choices through the provision of non-market affordable housing in all areas of the city.
2. Affordable housing should be developed in the context of a full spectrum of housing choices that meet a broad range of affordable housing needs.
3. The proportion of non-market affordable housing to the overall supply of housing in all areas of the city should be based on regularly updated empirical evidence measuring housing needs and supply gaps. Based on the most recent federal census data (2011), Attachment 1 shows a current city-wide need for non-market affordable housing of 10 percent. Attachment 3 illustrates the current percentage of non-market affordable housing by ward.
4. The built form of affordable housing developments should be of the highest quality possible and indistinguishable from market developments.
5. Affordable housing developments should include a range of building design features that accommodate mobility, accessibility and other inclusive requirements.
6. Affordable housing developments should be based on location criteria prepared in consultation with a range of stakeholder groups. Criteria could include: within proximity to transit, community, health and social services; opportunities to leverage City infrastructure and assets; and, in areas currently with limited or no affordable housing.
7. The City of Edmonton will partner with stakeholders to continuously improve approaches to engage with communities around housing choices, based on the right of all citizens to choose where they live.
8. The City will partner with stakeholders on innovative approaches to finance, design, construct and operate affordable housing development projects, including ways to encourage a mix of non-market and market housing into residential developments.

The need for affordable housing can be calculated in different ways, and is estimated to be approximately 10 percent of Edmonton households. Municipalities have limited capacity to provide affordable housing, and rely on support from federal and provincial governments and non-profit organizations. Recognizing both these limitations and the level of need, Administration recommends establishing an aspirational guideline of 10 percent affordable housing in all areas of the city. This aspirational guideline will guide the City's prioritization of City-funded affordable housing developments. In addition,

where feasible the City will demonstrate leadership in provision of inclusive housing opportunities by supporting provision of 10 percent affordable housing in City-sponsored developments.

If Council approves of this approach, next steps will be to establish an evaluation framework to assess individual affordable housing development proposals. This decision-making framework will support the principles identified above, and will include criteria to guide decision-making regarding areas of the city with either more or less than 10 percent affordable housing.

### **Previous Affordable Housing Targets**

Several City-led developments have established specific affordable housing targets. For example, the Blatchford development set a target of 20 percent affordable housing, while the Goodridge Corners Neighbourhood Area Structure Plan established a target of 10 percent for affordable housing in that neighbourhood. Based on the analysis presented in Attachment 1, Administration is proposing that the affordable housing target for Blatchford be re-calibrated to 10 percent based on the City-Wide Affordable Housing Framework. See the June 20, 2017, report CR\_2334rev for more information.

### **Policy**

*The Way We Grow*, Edmonton's Municipal Development Plan:

- 4.4.1.1 - Provide a broad and varied housing choice, incorporating housing for various demographic and income groups in all neighbourhoods.
- 4.5.1.1 - Work proactively and in partnership with others to meet a wide range of affordable housing needs in all areas of the city with a focus on LRT stations and transit centres.

### **Corporate Outcomes**

This report supports the corporate outcome "the City of Edmonton has sustainable and accessible infrastructure" as it will guide the delivery of City affordable housing programs which will create housing for Edmontonians in need.

### **Budget/Financial Implications**

The financial implication of individual initiatives will be identified as part of the assessment framework. Any budgetary impacts will then be brought forward to Council through the budget process.

### **Public Engagement**

Since 2009, Administration has engaged a range of stakeholders on priorities for locating affordable housing throughout the city. Two examples include the non-market

housing funding pause (between 2009 and 2014) and discussions with the Blatchford Community Stakeholder Group (in 2015). Feedback from these and other engagements affirmed the need to support diverse, inclusive, and complete communities with affordable housing in all neighbourhoods throughout the city.

In Quarter 1, 2017, Administration engaged with key development industry and affordable housing stakeholders to seek perspectives on this report. Stakeholders consulted included Capital Region Housing Corporation, the Greater Edmonton Foundation, homeEd, Homeward Trust Edmonton, the Urban Development Institute, and the Canadian Home Builders' Association (Edmonton Region). There was support for a city-wide approach to developing affordable housing.

### Risk Assessment

| Risk Element                    | Risk Description   | Likelihood | Impact | Risk Score | Current Mitigations  | Potential Future Mitigations  |
|---------------------------------|--|------------|--------|------------|--|---|
| Financial                       | Insufficient funding from other orders of government   | 3          | 4      | 12         | Advocacy for needed funding                                    | Greater advocacy efforts  |
| Community Perception            | Community concerns with City-Wide Affordable Housing Framework, and opposition to specific development proposals | 3          | 3      | 9          | Public engagement related to specific development proposals    | More robust education and awareness campaign to inform Edmontonians about affordable housing issues |
| Development Industry Perception | Lack of development industry support for city-wide development of affordable housing                             | 4          | 3      | 12         | Ongoing collaboration and engagement with development industry |   |

### Metrics, Targets and Outcomes

| Metrics   | Targets   | Outcomes   |
|---|---|--|
| Amount of non-market affordable housing in all areas of the City (see Attachment 3) | 10 percent non-market affordable housing in all areas of the City | Meet gap in affordable housing while achieving greater diversity and range of housing choices in all areas of the city |

#### Justification of Recommendation:

The recommended affordable housing framework will help to achieve a broad range of housing choice in all areas of the city. This approach will implement several key policies described in *The Way We Grow*, and help to achieve diverse, inclusive, and complete communities.

### Attachments

1. Non-Market Affordable Housing Supply and Demand
2. Glossary of Housing Terms
3. Non-Market Affordable Housing Ratios by Ward (2017)

### Others Reviewing this Report

- R. Smyth, Deputy City Manager, Citizen Services
- C. Campbell, Deputy City Manager, Communications and Engagement