

# Blatchford Affordable Housing - Further Consultation

## Recommendation:

That Executive Committee recommend to City Council:

1. That affordable housing in Blatchford be developed in accordance with the guidelines for the development of affordable housing as outlined in the July 4, 2017, Sustainable Development report CR\_4625, including the guideline of 10 percent affordable housing.
2. That the \$10 million earmarked for affordable housing be used for permanent supportive housing (a component of affordable housing) in Blatchford or an in-kind contribution of land valued at \$10 million be dedicated for permanent supportive housing, and the appropriate budget adjustment be brought forward for City Council approval.

## Report Summary

**This report provides feedback on stakeholder input, recommends a 10 percent affordable housing target in Blatchford, and that \$10 million be used for permanent supportive housing.**

## Previous Council/Committee Action

At the October 27, 2015, Executive Committee meeting, the following motion was passed:

That the October 27, 2015, Sustainable Development report CR\_2334, be referred back to Administration for further consultation with the Blatchford Stakeholder Committee and Blatchford Business Advisory Committee and return to Executive Committee in First Quarter, 2016.

## Report

The October 27, 2015, Sustainable Development report CR\_2334, provided a workable definition of affordable housing; outlined the principles to guide the development of 20 percent (2,400) affordable housing units; and outlined alternatives and implications to achieve this target.

Considerable discussion was held with the Stakeholder Committee and the Blatchford Redevelopment Advisory Group regarding the definition of affordable housing, in particular the inclusion of permanent supportive housing and social or community

housing, the 20 percent target contained in the Council adopted Blatchford Area Redevelopment Master Plan Principles; principles for the provision of affordable housing; and the implications to the successful build-out of Blatchford.

Ultimately the position of both the Stakeholder Committee and Blatchford Redevelopment Advisory Group was that the provision of affordable housing in Blatchford should be consistent with requirements for affordable housing throughout Edmonton. Since drafting the October 27, 2015, report, Council has approved the Affordable Housing Strategy, 2016 - 2025 that amongst other things includes a definition of affordable housing that includes supported housing, permanent supportive housing, social housing, and independent living affordable housing.

The first goal of the Affordable Housing Strategy is to “increase the supply of affordable housing in all areas of the city”. The Sustainable Development CR\_4625 report entitled, Housing Affordability in Supporting Diverse, Inclusive and Complete Communities, recommends guidelines for the provision of the full range of affordable housing throughout Edmonton that actions the first goal of the Affordable Housing Strategy. Based on the analysis presented in CR\_4625, Administration is proposing that the affordable housing target for Blatchford be re-calibrated to 10 percent based on the city-wide affordable housing framework. Applying these guidelines to Blatchford will ensure that Blatchford is treated in an equitable manner. It will also ensure that Blatchford is not put in an unfair competitive position, by placing higher expectations, in terms of affordable housing, than the rest of the City.

A ‘target’ of 10 percent affordable housing in Blatchford also better reflects the fact that Blatchford is being built as a compact, transit oriented, green development; all factors that will contribute to affordability.

The investment required to provide 1,200 units of affordable housing over the 25 year build-out of Blatchford will be in the magnitude of \$160 million, which exceeds the \$10 million currently earmarked. Considerable capital funding from other orders of government will be required. While a full range of affordable housing should be built in Blatchford, given the high priority afforded to permanent supportive housing it may be prudent to focus the City’s \$10 million investment on permanent supportive housing. In addition, permanent supportive housing will need to be the most purposefully planned and sited in order to be successfully integrated in Blatchford.

### **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 other to meet a wide range of affordable housing needs in all areas of the city with a focus on LRT stations and transit centres.

## The Way We Live:

- 3.3.1- Provides, partners and advocates for a variety of housing programs to meet the diverse needs of Edmontonians.
- 6.1.8- Advocates for the moderate and balanced concentration of social agencies, housing and businesses in all neighbourhoods.

## Corporate Outcomes

This report supports the corporate outcomes “Edmonton is attractive and compact” and “The City of Edmonton has sustainable and accessible infrastructure” by planning for the development of an environmentally sustainable, affordable and compact community. The provision of affordable housing within Blatchford will ensure that Blatchford is accessible to all Edmontonians regardless of socioeconomic status.

## Risk Assessment

Risk Element	Risk Description	Likelihood	Impact	Risk Score	Current Mitigations	Potential Future Mitigations
Funding	Other orders of government do not provide sufficient funding to develop affordable housing in a timely fashion, jeopardizing the orderly delivery of affordable housing units.	3 - Possible	4 - Severe	12 - Medium	<ul style="list-style-type: none"> <li>• Advocacy</li> <li>• Provincial &amp; Federal Affordable Housing Strategy</li> <li>• Federal Social Infrastructure funds</li> </ul>	Homeownership models, such as Habitat for Humanity.  Land Trust.  Secondary Suites, laneway housing.
Marketability	Builders may be deterred by the inclusion of PSH in a sub-area of the Development.	4 - Likely	3 - Major	12 - Medium	<ul style="list-style-type: none"> <li>• Best practices</li> <li>• Building design &amp; management.</li> </ul>	Demonstration projects.

## Public Engagement

Administration engaged Berlin Consulting to assist with the additional community consultation directed by Committee. A series of five meetings, between January and November, 2016, were held with the Stakeholder Committee and the Blatchford Redevelopment Advisory Group. Administration also met with the Kingsway Business Improvement Area in this period. In preparing the original, October 27, 2015, report input was sought from a wide cross section of affordable housing providers, the Greater Edmonton Home Builders Association and the Province. Two additional issues

were raised during the consultation. One was that the full spectrum of affordable housing should be provided in Blatchford, not focussed on any one type of affordable housing. The other was that if funding is not available for affordable housing in any stage of development that requirement (10 percent) should not be ‘back loaded’ on the remaining stages of development..

**Budget/Financial Implications**

The \$10 million that has been previously earmarked for affordable housing in Blatchford will not be sufficient to generate 1,200 affordable housing units (10 percent of the 12,000 units to be developed in Blatchford). Considerable funding from other orders of government will be required to generate these units.

**Metrics, Targets and Outcomes**

<b>Metrics</b>	<b>Targets</b>	<b>Outcomes</b>
<ul style="list-style-type: none"> <li>1,200 units of affordable housing developed over the 25 year build-out of Blatchford.</li> </ul>	<ul style="list-style-type: none"> <li>Increase the supply of non-market affordable housing.</li> </ul>	<ul style="list-style-type: none"> <li>City increases the supply of affordable housing in all areas of the city.</li> </ul>

**Justification of Recommendation:**

1. In terms of the provision of affordable housing, Blatchford will be dealt with in a manner consistent with all areas of the City. The proportion of affordable housing 10 percent to be provided more closely meets the current city-wide need based on the most recent federal census data.
2. While the full range of affordable housing should be provided in Blatchford, the provision of permanent supportive housing is considered a high priority in order to meet the goal of ending chronic homelessness. Siting and provision of land for permanent supportive housing are particularly critical. Utilizing the City’s \$10 million from land sales proceeds to set aside land for permanent supportive housing will demonstrate City leadership and will result in a greater Social Return on Investment.

**Attachments**

1. October 27, 2015, Sustainable Development report CR\_2334

**Others Reviewing this Report**

- T. Burge, Chief Financial Officer and Deputy City Manager, Financial and Corporate Services
- A. Laughlin, Deputy City Manager, Integrated Infrastructure Services
- R. Smyth, Deputy City Manager, Citizen Services

- C. Campbell, Deputy City Manager, Communications and Engagement