

NON-MARKET AFFORDABLE HOUSING OPTIONS

Recommendation

That the March 18, 2024, Community Services report CS01384, be received for information.

Requested Council Action	Information Only		
ConnectEdmonton's Guiding Principle	ConnectEdmonton Strategic Goals		
CONNECTED This unifies our work to achieve our strategic goals.	Healthy City		
City Plan Values	ACCESS		
City Plan Big City Move(s)	A rebuildable city	Relationship to Council's Strategic Priorities	Conditions for service success
Corporate Business Plan	Serving Edmontonians		
Council Policy, Program or Project Relationships	<ul style="list-style-type: none"> • Policy C583 - Guidelines for Development of the 2009 Surplus School Sites • Policy C601 - Affordable Housing Investment Guidelines • Policy C437A - City Land Assets for Non-Profit Affordable Housing • Policy C593A - Public Engagement Policy 		
Related Council Discussions	<ul style="list-style-type: none"> • June 13, 2023, Community Services report CS01900, Housing Accelerator Fund: Application and Investment Plan • September 19, 2023, Community Services report CS00738, Affordable Housing Contribution Approach, Urban Planning Committee • February 21 30, 2024, Community Services report CS01673, Updated Affordable Housing Strategy 		

Previous Council/Committee Action

At the June 27/28, 2022, Community and Public Service Committee meeting, the following motion passed:

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That Administration provide a report outlining options to reduce costs and timelines to deliver non-market affordable housing within Edmonton. Consultation with relevant stakeholders should examine developing enhanced customer support, a grant program for permit or consulting fees, opportunities to accelerate development timelines and possible preemptive rezoning of surplus school sites or other City-owned lands to facilitate expedited construction.

Executive Summary

- Between 2019 and 2022 the City stimulated the development of more affordable housing units than the previous 10 years.
- To reduce costs and timelines for non-market affordable housing delivery, Administration is implementing actions within the Updated Affordable Housing Strategy (presented at the February 21, 2024, City Council meeting in Community Services report CS01673, Updated Affordable Housing Strategy) and Housing Accelerator Fund Action Plan (presented at the June 13, 2024, City Council meeting in Community Services report CS01900, Housing Accelerator Fund: Application and Investment Plan).
- In 2023, the City introduced new actions, including:
 - grants to reduce capital and operating costs,
 - greater affordable housing development flexibility on surplus school sites,
 - working directly with affordable housing providers with dedicated supports,
 - fostering collaboration with other orders of government and
 - leading on the pursuit of funding opportunities.

REPORT

The 2023 City of Edmonton Affordable Housing Needs Assessment¹ highlights a substantial demand for affordable housing in Edmonton. Over 46,000 households, equivalent to one in eight, are currently in core housing need. This means housing costs exceed 30 per cent of household income and/or housing is crowded or in need of major repairs and they cannot afford to move. By 2031, projections indicate more than 56,000 households will be in core housing need. There are approximately 15,000 non-market housing units in Edmonton, which is insufficient to meet the existing and growing demand. Non-Market Housing is operated, funded, or created through direct government subsidies. It includes other categories based on level of need by the residents, segmented into categories of Affordable Housing and Social Housing.

To help non-profit affordable housing developers increase the supply of affordable housing, the City provides grant funding, below-market land sales and expedited permitting and development processes. Between 2019 and 2022, the City contributed \$133 million (\$105 million of the \$132.7 million AHIP investment and \$28 million from land contributions). This investment resulted in 2,807 new or renovated affordable housing units across Edmonton.

This success can be attributed to:

- leveraging City funding, guided by Council Policies C601 - Affordable Housing Investment Guidelines, and C437A - City Land Assets for Non-Profit Affordable Housing, through the Affordable Housing Investment Program (AHIP) Grants,

¹ <https://www.edmonton.ca/sites/default/files/public-files/CoE-HousingNeedsAssessment2023.pdf?cb=1706745433>

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- making land available to affordable housing providers below market value and
- leveraging federal and provincial grant programs to lead the development of new permanent supportive housing units.

In 2023, the following City initiatives stimulated the development of new affordable housing:

- Launched the Affordable Housing Tax Grant (\$6.5 million) to offset municipal taxes to eligible affordable housing developments,
- Established two new Administrative positions to troubleshoot and facilitate new development (Indigenous Housing Liaison and Affordable Housing Safety Code Specialist),
- Launched a new Indigenous Affordable Housing Capital Grant (\$5 million),
- Amended the Surplus School Site Policy (December 6, 2023 Executive Committee report CS01758, Surplus School Sites Policy Review) allowing greater flexibility of affordable housing development on those sites,
- Fostered greater collaboration to affordable housing providers between the City of Edmonton, City of Calgary, Government of Alberta, Government of Canada and Canada Mortgage and Housing Corporation (CMHC),
- Received grants (\$10.6 million) funding from the Government of Alberta Affordable Housing Partnership Program and CMHC Rapid Housing Initiative Round 3 (\$15.2 million) for 74 new permanent supportive housing units,
- Negotiated a grant agreement with CMHC on the renewal of social housing on City land (\$19.6 million), and
- Received \$175 million through the Housing Accelerator Fund to fast-track over 5,200 new housing units to an approved building permit stage over the next three years, of which 1,940 units will be affordable housing.

2024 Plans for Accelerating Affordable Housing Development

In 2024, Administration will continue its efforts to accelerate and reduce barriers to the development of affordable housing in Edmonton. Efforts focuses on three efforts detailed below:

Update Affordable Housing Strategy

The recently approved Updated Affordable Housing Strategy (CS01673, Updated Affordable Housing Strategy, City Council, February 21, 2024) provides the framework to advance the City Plan goal of eliminating homelessness and core housing need in Edmonton. A collaborative relationship between the City of Edmonton and non-market housing developers is a crucial component of one of the tactics outlined in the Strategy: "Scale up the capacity, speed, and infrastructure of affordable housing development in Edmonton."

The specific actions to be achieved between 2023-2026 are:

- Create a 10-Year Acquisition Framework to increase affordable housing supply.
- Establish an inventory of publicly owned land for affordable housing (municipal, federal, provincial and other).
- Maximize existing City investments and opportunities in priority growth areas.
- Accelerate development of designated surplus school sites for affordable housing.

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- Target seed funding to support technical capacity at pre-development stage to assess feasibility.
- Work with existing co-ops in land agreement extensions and acquisition of new land.
- Investigate creative alternative methods to finance and build affordable housing.

Housing Action Team

Administration has initiated the creation of an internal Housing Action Team, which will bring together an interdisciplinary team of City staff to:

- Incentivize development by implementing aggressive actions to attract investment in and scale up the delivery of non-market and mixed income housing;
- Improve policy through the identification and reduction of barriers; and
- Position Edmonton as a leader in areas such as climate, equity, reconciliation and economic development as related to affordable housing.

The Housing Action Team will focus on coordinating the initiatives and identified actions to ensure the City is able to meet its overall housing supply target and non-market housing supply targets under CMHC's Housing Accelerator Fund program.

Housing Accelerator Fund

The Government of Canada's Housing Accelerator Fund (HAF) provides incentive funding to local governments to create transformational change that will help increase housing supply. HAF supports the development of complete, low-carbon and climate-resilient communities that are affordable, inclusive, equitable and diverse.

Council approved Edmonton's "HAF Action Plan" submission on June 13, 2023 (Community Services report CS01900, Housing Accelerator Fund: Application and Investment Plan). The City of Edmonton and CMHC entered into a \$175 million agreement over three years to deliver 5,236 incentivized new housing units over the baseline resulting in a housing supply target of 35,433 units. A housing unit is defined as a structurally separate set of self-contained living premises. A housing unit has a private entrance from outside the building or from a common hall, lobby or stairway inside the building. Within the housing supply target, at least 1,940 of the new housing units must be affordable housing. The City must complete 11 initiatives as part of its HAF Action Plan. The successful completion of these actions is intended to increase multi-unit, transit-oriented and affordable housing supply growth.

HAF Action Plan initiatives that will enhance the delivery of non market affordable housing include:

- The majority of affordable housing is delivered using row housing or apartments².
- A City-led rezoning, subdivision, batch disposition and provision of support on infrastructure servicing for accelerated affordable housing development on multiple surplus school sites;
- Administrative Standard to prioritize affordable housing development applications;
- A sanitary sewer trunk charge waiver for Affordable Housing that credits HAF funds back to the Sanitary Servicing Strategy Fund (SSSF);

² Prior to Zoning Bylaw Renewal, apartments and row housing were not permitted in approximately 77 per cent of the city's residential areas. With the Zoning Bylaw 20001, row housing and apartment housing are now permitted in all neighborhoods at different scales.

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- A capacity-building campaign providing self-serve resources to assess firefighting capacity to ensure water infrastructure upgrades are only required when necessary saving money for affordable housing projects;
- A policy/funding framework to better align the existing and future transit and affordable housing planning land acquisition strategies;
- A handbook for affordable housing providers to aid development in Edmonton;
- Environmental and climate resilience tools and practices that can be enacted on multi-unit affordable housing projects; and
- Cutting-edge technology, including artificial intelligence, to modernize the permitting and inspections process, improving efficiency and enhancing the overall experience for market and affordable housing developers and residents.

Continual Improvement and Engagement

The goals and subsequent tactics included in the Updated Affordable Housing Strategy and Housing Accelerator Fund will create opportunities to reduce costs and timelines in the delivery of non-market affordable housing within Edmonton.

Administration, through the Housing Action Team, will continue to seek out new opportunities to expedite and encourage new affordable housing development and ensure that policy, frameworks and supports are aligned to feedback received and funding opportunities from other levels of government. This will include conducting engagement and analysis on a grant program to offset permitting costs, reducing or minimizing engagement requirements on affordable housing developments and alternative funding methods to accelerate the disposition of City owned land for affordable housing.

Administration will continue to engage with local non-profit stakeholders, the Housing and Houselessness Task Force, the Government of Canada (as they move forward on the Federal Housing Strategy including the development of standardized housing design) and the Government of Alberta (as they implement their affordable housing strategy, Stronger Foundations).

Community Insight

Administration has regular conversations with local non-profit affordable housing providers on opportunities and challenges faced in the development of new affordable housing, including substantial engagement on the development of the Updated Affordable Housing Strategy.³

Housing Accelerator Fund implementation will include an engagement plan that will provide opportunities for market and affordable housing providers to provide input on red tape removal, policy improvements and new opportunities to stimulate new affordable housing development.

GBA+

Affordable housing can improve multiple outcomes for vulnerable populations including resilience to a changing climate. For those who lack community connections or employment, or have limited resources, obtaining housing is a significant barrier. As defined by CMHC and Statistics Canada, a household is considered to be in core housing need if its housing falls below

³ [Updated Affordable Housing Strategy: What We Heard Report](#)

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at least one of the adequacy, affordability or suitability standards and it would have to spend 30 per cent or more of its total before-tax income to pay the median rent of alternative local housing that is acceptable (meets all three housing standards)⁴. Considerations that reduce ongoing costs for maintaining housing (e.g., energy efficiency and access to transit) can contribute to affordability.

By making City-owned land assets available to non-profit housing providers for the development of affordable housing, the City is able to contribute to projects that remove barriers and support Edmontonians in housing need. Further information on the housing needs in Edmonton will be contained in the final findings of the Housing Needs Assessment.

Environment & Climate Review

This report was selected as part of the phased implementation of a process change to provide environmental reviews of the City of Edmonton's plans and projects.

- The development of new residential homes can cause an increase to community greenhouse gas emissions and can impact the City's ability to achieve its energy transition targets. Some funding programs incorporate requirements associated with climate resilience which can reduce these impacts and lower operating and energy costs.
 - City funding for new affordable housing is partially prioritized based on energy efficiency. For example, buildings supported through the AHIP grant program must achieve at least a 20 per cent decrease relative to the 2017 National Energy Code for Buildings.
- Development of surplus land in the developing or redeveloping areas can support less carbon-intensive growth and delay premature conversion of agricultural land at the urban edge of the city.
- Development activities could change the existing landforms that may support environmental functions such as habitat for wildlife, reducing heat-island effects and surface water absorption.
- As part of the development process, design plans will be required and Administration will review these materials. Developers are also responsible for following environmental regulations that may apply to future construction activities.

⁴ [Core housing of private households definition](#)