

# Affordable Housing Investment Plan

## Recommendation:

That Executive Committee recommend to City Council:

1. That the Affordable Housing Investment Plan, as set out in Attachment 2 of the April 26, 2016, Sustainable Development report CR\_3271, be approved.
2. That Administration develop program parameters and budget requirements for programs prioritized for provincial and federal funding (subject to provincial and federal program guidelines), as identified in the April 26, 2016, Sustainable Development report CR\_3271.

## Report Summary

**This report outlines a new City of Edmonton Affordable Housing Investment Plan (2017-2021). This plan will replace Cornerstones and guide the delivery of City housing programs for five years.**

## Report

### Background

During the fall 2015 budget deliberations, City Council requested that Administration provide an update to the Cornerstones II road map. This report provides the requested update, and introduces a new Affordable Housing Investment Plan.

In 2005, Edmonton City Council approved 13 motions that established Cornerstones I, Edmonton's Plan for Affordable Housing (2006-2011). Cornerstones I leveraged \$35 million in City of Edmonton funding in conjunction with more than \$110 million in funding from the Government of Alberta to create more than 3,000 long-term affordable housing units.

In 2012, City Council approved a second phase of the plan: Cornerstones II (2012-2016). This second phase defined five funding priorities: building new secondary suites, upgrading existing secondary suites, the Housing Opportunities Program for Edmonton, Surplus School Sites, and other affordable housing initiatives. Cornerstones II has operated within a significantly different funding environment, as it has received no funding from the provincial or federal governments. See Attachment 1 for an update to the Cornerstones II funding priorities.

### Affordable Housing Investment Plan

With Cornerstones II coming to its scheduled completion at the end of 2016, Administration is recommending an Affordable Housing Investment Plan (Attachment 2),

a revised set of City of Edmonton affordable housing grant programs.

The Affordable Housing Investment Plan is intended to guide delivery of City housing programs for five years (2017-2021). The Plan was developed based on policy direction from *The Ways*, the Affordable Housing Strategy (approved by City Council in November 2015), and *A Place to Call Home: Edmonton's 10 Year Plan to End Homelessness*. The plan was also informed by a comprehensive evaluation of City housing programs that was completed in fall 2015.

### **The Current Housing Context**

Many households in Edmonton experience significant housing affordability challenges and are vulnerable to housing instability and homelessness. The City of Edmonton is committed to delivering programs to meet the affordable housing needs of Edmontonians; however, increasing the supply of affordable housing requires dedicated, sustained sources of funding, which must be largely provided by the other orders of government.

At the time of writing this report, future financial supports from the other orders of government are unknown. However, it is anticipated that the federal and provincial governments may announce a new round of funding for affordable and/or social housing; the Affordable Housing Investment Plan is designed to be flexible to respond to the uncertain funding context.

### **Links to the Affordable Housing Strategy**

The Affordable Housing Investment Plan is designed to support the four goals defined in the *Affordable Housing Strategy (2016-2025)*:

1. Increase the supply of affordable housing in all areas of the city
2. Maintain the existing supply of affordable and market rental housing
3. Enable stable residential tenancies and transition people out of homelessness
4. Anticipate, recognize and coordinate action to respond to housing and homeless needs

For more information on the *Affordable Housing Strategy*, see the November 3, 2015 City Council report CR\_2713, City of Edmonton Affordable Housing Strategy.

### **Program Priorities**

In anticipation of additional funding from the other orders of government, and to enable flexibility, the Affordable Housing Investment Plan identifies a wide range of program priorities. The programs are presented in two separate categories: priorities for City funding and priorities for provincial or federal funding (if available). See Attachments 2 and 3 for additional information on each program.

## Affordable Housing Investment Plan

The following programs have been identified as priorities for City affordable housing funding during the term of the Affordable Housing Investment Plan:

- Surplus School Sites (joint priority for City, provincial and federal funding)
- Developer Sponsored Affordable Housing
- Secondary Suites
- Fee Rebate for Affordable Housing Program
- Other Council approved projects

The following programs are priorities for provincial or federal funding if available:

- Surplus School Sites (joint priority for City, provincial and federal funding)
- City-led housing projects (including Blatchford and Goodridge Corners)
- Redevelopment of existing social housing sites
- New Construction Capital Grant Program
- Edmonton Rental Rehabilitation Program
- Land Acquisition for Affordable Housing Program
- Leveraging City assets for affordable housing
- Eviction Prevention Funding
- Innovative Pilot Projects
- Rent Supplement Program

### City Investment

City investment in the Affordable Housing Investment Plan is based on a continuation of the Cornerstones annual base funding of \$2.5 million. Anticipated 2017 City operating funding includes \$3.5 million from an available City budget surplus. In December 2011 Council directed that Administration prepare the 2013 - 2017 Operating Budgets with funding for Cornerstones II Implementation from the Budget surplus, if any.

### Next Steps

Throughout 2016, Administration will continue to deliver the current Cornerstones II programs (Secondary Suites, HOPE, surplus school sites, and other Council-approved projects). Funding applications for these programs will be accepted until December 31, 2016, or until program budgets are fully committed. Delivery of the identified City-funded programs, under the banner of the Affordable Housing Investment Plan, will begin on January 1, 2017.

Moving forward, Administration will bring forward a report summarizing program parameters and budget requirements for provincial or federal funding. Delivery of these programs will occur as funding becomes available (subject to federal or provincial program guidelines).

### Policy

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

- 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.
- 4.5.1.6 - Leverage capital funding for the provision of long-term affordable housing projects.

### 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

Delivery of the programs identified in the investment road map is based on an annual base funding allocation of \$2.5 million. Administration has also prepared the 2017 program budget with \$3.5 million from the City budget surplus, if available. Significant additional sources of funding are required to deliver on other City housing commitments; however, this funding must be largely provided by the other orders of government.

### Justification of Recommendation

1. The five housing programs prioritized for City funding will enable effective and efficient use of limited City resources to meet the affordable housing needs of Edmontonians.
2. Program parameters and budgets are required to assist in the delivery of City housing programs that receive provincial and federal funding.

### Attachments

1. Cornerstones II - Investment Update
2. City of Edmonton Affordable Housing Investment Plan (2017-2021)
3. Affordable Housing Investment Plan Programs

### Others Reviewing this Report

- T. Burge, Chief Financial Officer and General Manager, Financial and Corporate Services