

Possible policy changes required to accommodate the establishment of an MDC Superlight or a new DCA program

An MDC would be a separate for-profit corporation from the City managed by its own Board of Directors and management team. The municipal corporation of the City of Edmonton is the sole shareholder represented by all Councillors sitting and casting a single vote for the City's shares. Council policies would not apply to an external MDC, but would apply to an internally delivered model. Provincial legislation would apply to both.

Policy	Potential policy conflict	Change required
C212D - Investment Policy	Equity investments in shared development projects are inherently more risky than other City investments and may not meet the "prudent investor" rule.	Business arrangements entered into by the new DCA program will have to be evaluated on a case-by-case basis to ensure they comply with this policy.
C437-The Lease or Sale of City-Owned Land for Social Housing Development	<p>Policy describes land management at the department level rather than a centralized corporate model. Policy references a department that no longer exists and requires that department to have a role in land acquisition and use. The wording of the policy mandates the department to hold an inventory of land, which is counter to corporate land governance direction.</p> <p>Full implementation of this policy could make it more difficult to declare properties surplus for activation by an</p>	<p>Updating the policy to reflect current City organization. The policy should also be revised to reflect real estate as a <i>corporate</i> asset. This should be completed in parallel with the current land governance review that is ongoing.</p>

	MDC or new DCA program.	
C511- Land Development Policy	<p>Policy provides prescriptive direction related to affordable housing, target markets, promotion of sustainability, revitalization, etc. These items are restrictive and conflict with the motive of for-profit development and financial return.</p> <p>Possible issues for a new DCA program relate to the following:</p> <ul style="list-style-type: none"> • “The primary target of residential lot development is intended for affordable housing (target market to reflect lot prices that are 10% or more below the average City of Edmonton lot prices as determined by CMHC statistics).” <p>Adhering to this target may affect the market value of City-owned sites and contradicts development activities based primarily upon financial return on investment.</p> <ul style="list-style-type: none"> • “Through its land development program, the City will be able to actively promote initiatives in evolving areas of sustainability, revitalization, and urban form.” 	<p>Development activities led by Land Enterprise are in compliance.</p> <p>Further review of the land inventory is required to determine if this policy applies in any meaningful sense to the activation of surplus City-owned lands or the redevelopment of underdeveloped City-owned lands.</p> <p>This potential incompatibility illustrates the uncertainty concerning City-Building Outcomes (CBOs). It is possible this could be resolved by establishing a not-for-profit Community Development Corporation</p>

	<p>These may have impacts on the primary directive of financial return.</p> <ul style="list-style-type: none"> • “Providing opportunities for affordable and/or innovative housing remains a priority for the City.” <p>This is also a competing priority with the focus on financial return.</p>	<p>focused on CBOs.</p> <p>See above.</p>
<p>C516B - Land Enterprise Dividend Policy</p>	<p>A new DCA program would be required to adhere to this policy for any Land Enterprise developments only. The 25 percent dividend would not be a requirement for sites that do not go through Land Enterprise for funding or development.</p>	<p>The policy could be reviewed and amended to amend the 25 percent dividend policy or incorporate additional principles into the policy to increase flexibility in an internal program.</p>
<p>C12005 – City Administration Bylaw</p>	<p>The current bylaw limits the delegated authority of Administration to sell or acquire any land asset to transactions below \$3 million and imposes term and dollar limits on other land transactions.</p>	<p>If Council wishes to give the new DCA program greater flexibility to acquire or sell land assets, it could increase dollar and term limits in the bylaw.</p>