

## DOWNTOWN STUDENT HOUSING INCENTIVE

### Recommendation

That Executive Committee recommend to City Council:

1. That the Downtown Student Housing Incentive, as set out in Attachment 1 of the August 13, 2025, Urban Planning and Economy report UPE03036, be approved.
2. That the payment of any Downtown Student Housing Incentive grants be subject to the terms and conditions set out in Attachment 2 of the August 13, 2025, Urban Planning and Economy report UPE03036 and not exceed \$15,000,000 cumulatively from funding allocated by the Federal Government under the Canada Mortgage and Housing Corporation's Housing Accelerator Fund.
3. That Attachment 3 of the August 13, 2025, Urban Planning and Economy report UPE03036 remain private pursuant to sections 26 (disclosure harmful to intergovernmental relations), 29 (advice from officials) and 32 (privileged information) of the *Access to Information Act*.

Requested Action		Council decision required	
ConnectEdmonton's Guiding Principle		ConnectEdmonton Strategic Goals	
CONNECTED This unifies our work to achieve our strategic goals.		Urban Places	
City Plan Values	LIVE.		
City Plan Big City Move(s)	A community of communities	Relationship to Council's Strategic Priorities	15-minute districts
Corporate Business Plan	Serving Edmontonians		
Council Policy, Program or Project Relationships	<ul style="list-style-type: none"><li>2023-2026 Updated Affordable Housing Strategy</li><li>Bylaw 16620, City Administration Bylaw</li><li>Bylaw 15200, Capital City Downtown Area Redevelopment Plan</li><li>2025 Downtown Action Plan</li><li>Charter Bylaw 24002, Central District Plan</li></ul>		

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### Related Council Discussions

- May 13, 2025, Urban Planning and Economy report UPE02813, Downtown Action Plan
- June 2, 2023, Community Services report CS01900, Housing Accelerator Fund: Application and Investment Plan

### Executive Summary

- Driven by City plans and policy, including the Central District Plan, Capital City Downtown Area Redevelopment Plan and Downtown Action Plan, the Downtown Student Housing Incentive represents a unique opportunity for downtown Edmonton representing the first program of this kind in Canada.
- The Downtown Student Housing Incentive will encourage downtown residential development over the next two to five years.
- Funding for the program has already been allocated from Canada Mortgage and Housing Corporation (CMHC), under the Housing Accelerator Fund (HAF), and does not include any tax levy.
- Administration is seeking approval for the program. Further details are outlined in the Downtown Student Housing Incentive Program Guide (Attachment 1).
- If the program is approved, Administration will enter into grant agreements, some of which will be above \$1 million, as allowed pursuant to section 49(b) of Bylaw 16620, with a total cumulative amount not to exceed \$15 million in accordance with the terms and conditions of the HAF commitments.
- Council approval is required to expedite the grant allocation process and meet the conditions of the HAF commitments.

### REPORT

On February 21, 2024, the Canada Mortgage and Housing Corporation CMHC announced that the City of Edmonton would receive \$175 million through the Housing Accelerator Fund (HAF). The HAF was created to help address the severe housing shortage affecting availability and affordability across Canada by supporting transformational municipal initiatives that accelerate the development of housing inventory. To receive the full allocation, the City must complete its HAF Action Plan (Community Services report CS01900, June 13, 2023 City Council meeting). This plan is designed to fast-track over 5,700 additional housing units in Edmonton by 2026, beyond baseline projections.

On March 20, 2025, the City was approved for additional funding under CMHC's Amended HAF agreement, bringing the total allocation to \$192 million. This new funding enables the creation of the Downtown Student Housing Incentive (the Program) which will support the development of student housing in Edmonton's downtown. The Program responds to HAF priorities by targeting an underserved population group and advancing transit-oriented, multi-unit housing within a core area of the city. It aims to create momentum for student housing development as part of the City's broader revitalization efforts. Driven by City plans including the Central District Plan, Capital City Downtown Area Redevelopment Plan and Downtown Action Plan, this program represents a

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unique opportunity for downtown Edmonton. The Downtown Student Housing Incentive is the first of its kind in Canada, leveraging its funding source to address the gap in student housing.

Purpose-built student housing can:

- Increase vibrancy, safety and economic activity downtown.
- Utilize existing zoning and transit links to support students from all Edmonton post-secondary schools.
- Stimulate demand for commercial and community amenities by increasing the local population.

Funds from the HAF will be used to directly expedite the development of student housing within the downtown area, advancing the Downtown Action Plan and the City's goal of increasing housing supply through permanent, growth-driving initiatives. The funding supports the City's commitment under the HAF to exceed baseline housing forecasts and address identified housing gaps for underserved populations, including students. To meet federal funding requirements, all supported units must have an approved building permit by November 2026, making timely delivery essential. Funds will be distributed as construction grants to successful applicants of the program. Based on the Downtown Student Housing Incentive Program Guide (Attachment 1), the construction grant will fund the creation of student housing units within a focus area of downtown, and is expected to deliver 500 new housing units. Increasing the residential population will create a strong downtown core, as identified in action 3 of the Downtown Action Plan and this incentive is an identified sub-action.

### **Program Details - Grant Funding**

To incentivize the development of downtown student housing, the City will provide grants of up to \$30,000 per new student unit created. Full details of the Program are provided in Attachment 1.

The Program has two main priorities: increasing downtown revitalization and off-campus student housing. Projects will be prioritized for funding based on alignment with the program priorities and objectives, as well as how well projects meet the program criteria.

Desired projects will include some or all of the following:

- A location in the Program Priority Area, defined as the Warehouse Campus sub-area of downtown of the Capital City Downtown Plan Area Redevelopment Plan (i.e. around NorQuest College and Warehouse Park).
- A design with students in mind, including features such as WiFi, furnishings and student amenities
- Affordable rents aligning with student needs
- Infill-ready sites with zoning in place that are free of complex, site-specific constraints
- New developments that increase the total housing supply and transform underdeveloped lots in the area

At a minimum, projects will be expected to:

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- Be located within the Centre City node, as above preference will be given to Warehouse Campus projects.
- Create housing for 10-150 students
- Meet student rental requirements (average market rates) for 10 years
- Demonstrate the ability to meet critical milestones, such as having a building permit by November 9, 2026

Office conversions are eligible to apply but preference will be given to new projects as outlined above.

### **Rationale for Seeking Council Approval**

The City has contractual obligations as a result of the agreement between the City and CMHC. Under that agreement, building permits for each of the projects must be obtained by November 2026 in order for the City to receive the final and critical disbursement of HAF funds. The City Administration Bylaw 16620, pursuant to section 49(b), authorizes the City Manager to approve agreements for grants above \$1 million if it is a Council approved program and payment is made in accordance with the express terms or conditions, if any, directed by Council. It is anticipated that many projects will exceed this \$1 million limit. Administration is seeking approval for the program, which will allow Administration to select projects and enter into agreements, including those exceeding \$1 million in accordance with terms and conditions outlined in Attachment 2.

Administration will not be allocating tax levy funds through this program. The program has received \$15 million in funding through the existing HAF agreement.

Council's approval of the Downtown Student Housing Incentive will allow Administration to approve Downtown Student Housing Incentive grant funding agreements, making the development process more efficient for successful proponents. Efficient development processes are critical in order to meet the November 2026 deadline for building permits. Certainty regarding the City's capital contributions will allow proponents to proceed with their design development and pursue additional funding from other orders of government.

### **Next Steps**

If the recommendation is approved:

- Administration will select successful projects between Q3 2025 and Q1 2026 using the objectives of the Downtown Student Housing Incentive Program Guide.
- Administration will disperse funds to the selected applicants in alignment with the approved general terms and conditions for each Downtown Student Housing Incentive Agreement.

### **Budget/Financial Implications**

The City of Edmonton has received additional funding under CMHC's Amending HAF Contribution Agreement (March 20, 2025) to accelerate student housing development. This funding will support a new program designed to incentivize and deliver student housing in downtown Edmonton.

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During the 2025 Municipal Tax Levy Confirmation, Council approved CMHC's additional funding of \$17.5 million to support additional housing units:

- Administration proposes to allocate up to \$15 million of this federal funding towards the development of student housing in the form of construction grants. The ongoing operating expenses for the proposed developments will be the responsibility of the housing provider. This program will be managed by existing Administrative staff and will not require additional budget.
- The remaining \$2.5 million will be leveraged by other housing action team projects.

### **Legal Implications**

Section 49(b) of Bylaw 16620 - City Administration Bylaw enables the City Manager to approve the payment of grant funding if the program, project or activity to which the grant relates is specifically identified within the approved capital or operating budgets, and payment is made in accordance with the express terms or conditions, if any, directed by Council. There is no monetary limit to the value of grant funding that the City Manager can approve pursuant to this section, enabling the City Manager to approve payment of grant funding that exceeds the City Manager's general agreement authority of \$1 million.

As applicants are being reviewed in accordance with the Downtown Student Housing Incentive Program Guide and HAF commitments, the Downtown Student Housing Incentive Agreement values will vary from project to project. As such, Administration requires Council approval for up to \$15 million from the HAF for the program. For further clarity, all Downtown Student Housing Incentive Agreements within this program will be in accordance with the general terms and conditions in Attachment 2, which incorporate legal risk mitigating requirements. Additional legal implications are included in private Attachment 3.

### **Community Insight**

The Program was created with input from the development industry, key advocacy groups, post-secondaries, students and select downtown organizations. Input was collected through a survey, individual meetings, group discussions and by email.

The expertise provided by these groups was instrumental to the success of the City's funding application to CMHC, and has informed the direction of the program guide.

There was strong general support for the program, with key themes, including:

- High demand for student housing
- Addresses a gap as limited student housing is currently being developed
- Focus on a small area to have the most effect
- Aligns with other programs and sources of funding
- Aggressive timeline

Due to the specific direction of the program funding, broad public engagement was not included.

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### **GBA+**

The development of student housing in the downtown core directly supports the City of Edmonton's goal of building an inclusive city where everyone, regardless of background, can access safety, stability and the opportunity to thrive. For students, especially those relocating to Edmonton, access to appropriate housing is foundational to academic success, well-being and long-term community integration. Purpose-built student housing helps meet this need by offering a stable alternative to overcrowded, unsafe or unaffordable options, which disproportionately impact equity-deserving populations.

Housing insecurity presents a barrier to many individuals who may lack employment history, local references or sufficient financial resources. These barriers often compel students, particularly those who are Indigenous, newcomers, low-income or from equity-seeking backgrounds, to accept living arrangements that do not meet basic standards of safety, stability or suitability. According to Statistics Canada, households are considered in "core housing need" when they lack access to adequate or suitable housing and must spend more than 30 per cent of their income on alternatives that meet those criteria. This definition frequently applies to students, who often fall into low-income categories and struggle to find appropriate accommodations near their place of study.

The 2023 Edmonton Housing Needs Assessment identified specific demographic groups as being at heightened risk of housing insecurity, including Indigenous households, recent refugees, seniors, female lone-parent households and people with disabilities. Many students belong to these intersecting groups, compounding their vulnerability. By prioritizing student housing development in the downtown core, the City can address both housing needs and equitable access to education and services.

Giving greater consideration to proposals that include accessible design, deeper affordability, increased unit counts and partnerships with Indigenous or culturally specific organizations promotes that this initiative responds to the housing needs of Edmonton's most equity-deserving population groups. This approach helps reduce systemic barriers and supports more inclusive, equitable access to housing for students and other marginalized populations living in the downtown area.

### **Environment and Climate Review**

This report was reviewed for environmental and climate risks. Based on the review completed there may be opportunities to indirectly impact the City's environmental and climate goals. The environmental opportunities summarized below were identified using City-developed environment and climate screening criteria.

Approval is not anticipated to directly impact the environment or climate. However, projects selected for the program will:

- Promote densification and more efficient land use.
- Reduce the urban heat island effect, particularly for projects that develop vacant lots.
- Improve the overall quality of student housing; new housing must meet the requirements of the building code and zoning bylaw.

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- Students living closer to post-secondaries supports the City's target of 50 per cent of all trips being made by transit and active transportation by 2040.
- Support Edmontonians' transition to a low carbon future.

Through the permit process, applicants will also be required to meet standard development requirements. Projects will be encouraged to meet the 2020 National Energy Code for Buildings (NECB).

## **Attachments**

1. Downtown Student Housing Incentive - Program Guide
2. Downtown Student Housing Incentive - General Terms and Conditions
3. PRIVATE - Advice from officials and privileged information