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Housing Affordability and Accessibility Implementation Plan

June 2020

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INTRODUCTION

Council's Strategic Plan (2018- 2021) has directed Administration to work with regional partners to explore the creation of additional housing options to address issues of affordability and accessibility, and review best practices for alternative financing.

This report defines actions needed to create more choice in the City's housing stock, and to support housing development actions along the housing continuum (Figure 2) through a Housing Investment Program funding model.

Why is Housing Diversity Needed?

Housing diversity is about creating a range of choices within the housing market to attract new families, support existing residents, and assist people with disabilities and seniors with housing that enables them to remain in their chosen community.

St. Albert is expected to grow to 100,000 residents over the next 30 years and create spaces for up to 15,000 new jobs, which could attract almost 1,000 new residents and 500 jobs to the City every year on average. While St. Albert continues to be one of the most desirable places to live in Canada, lifestyle preferences, family structures, and the types of jobs are rapidly changing. Nuclear families are being replaced with blended families, a higher number of single persons living alone.

St. Albert's demographics indicate a higher ratio of older households and fewer households in the 25 – 44 age range. As new housing demand is directly linked to household formation, new households will provide the City with the greatest opportunity for future growth. People who are aged 18-30 are renting for longer periods than previous generations, but also represent the biggest market potential for future home purchases. As housing costs increase, new housing choices will be required to reflect first-time buyers evolving preferences and their ability to purchase housing that suits their needs, both in tenure and housing form (apartments, townhomes, single-detached).

No matter the age group, households are more likely to remain in St. Albert if there is housing supply that is suited to their needs.

The Importance of Rental Housing

Rental housing choices are a key component of a diverse housing stock, meeting demands from younger residents who are renting for a longer period than previous generations. Housing costs and lifestyle preferences influence housing tenure choices.

While rental housing provided by the market meets the needs of the majority of renters, housing affordability is a greater concern for renters. Two in five renter households are spending more than 30% of their household income on rent and utilities, which exceeds nationally accepted affordability standards. One of those two households spends more than 50% of their income on housing costs, placing them at imminent risk of losing their home if an unforeseen expense or adverse event occurs. Costs for other necessary expenses such as food cannot easily be accommodated. In 2019, the St. Albert Food

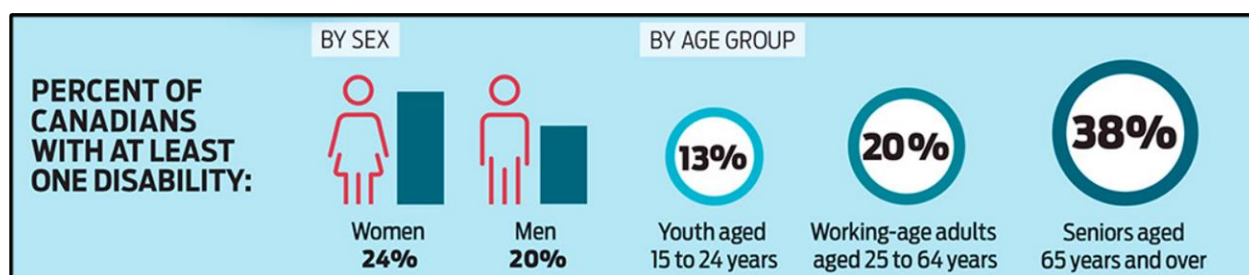
Bank noted that 61% - 67% of Food Bank clients spent more than half of their income on housing.

A large number of St. Albert's jobs are in the retail and service sector. Retail workers, grocery store clerks, gas station attendants, and restaurant workers face ongoing challenges trying to find housing in St. Albert that is affordable compared to what they earn. Attracting and retaining employees for local businesses becomes more difficult, particularly if prospective workers can find employment closer to where they can affordably live.

By 2031, close to one in four Canadians will be over 65¹, becoming Canada's fastest growing demographic group. As the percentage of seniors increases, so will the percentage of the population with a disability. In 2017, 6.2 million people reported at least one disability – with 38% of those being over 65. St. Albert's goal to be an inclusive community will require the City to adopt strategic actions to enable this.

“Removing obstacles that prevent access to housing, either physically or economically, is the first step forward to social inclusion.”²

Figure 1 – Incidence of Disability in Canada, 2017



Source: Statistics Canada Infographic 11-627-M2018035

FEDERAL AND PROVINCIAL INVESTMENTS IN HOUSING

Canada's National Housing Strategy's primary goal is to ensure that Canadians have access to housing that meets their needs and is affordable. Available funding for housing will initially be designated towards actions that prioritize population groups identified as the most in need across Canada:

- Women and children fleeing family violence
- Seniors
- Indigenous peoples
- Visible minorities
- People with disabilities

¹ Statistics Canada, [Age and sex, and type of dwelling data](#): Key results from the 2016 Census. Released 2017-05-03.

² [Socially Inclusive Design](#), Housing Designed for Everyone. Socially Inclusive Working Group. Accessed from the Evergreen.ca website.

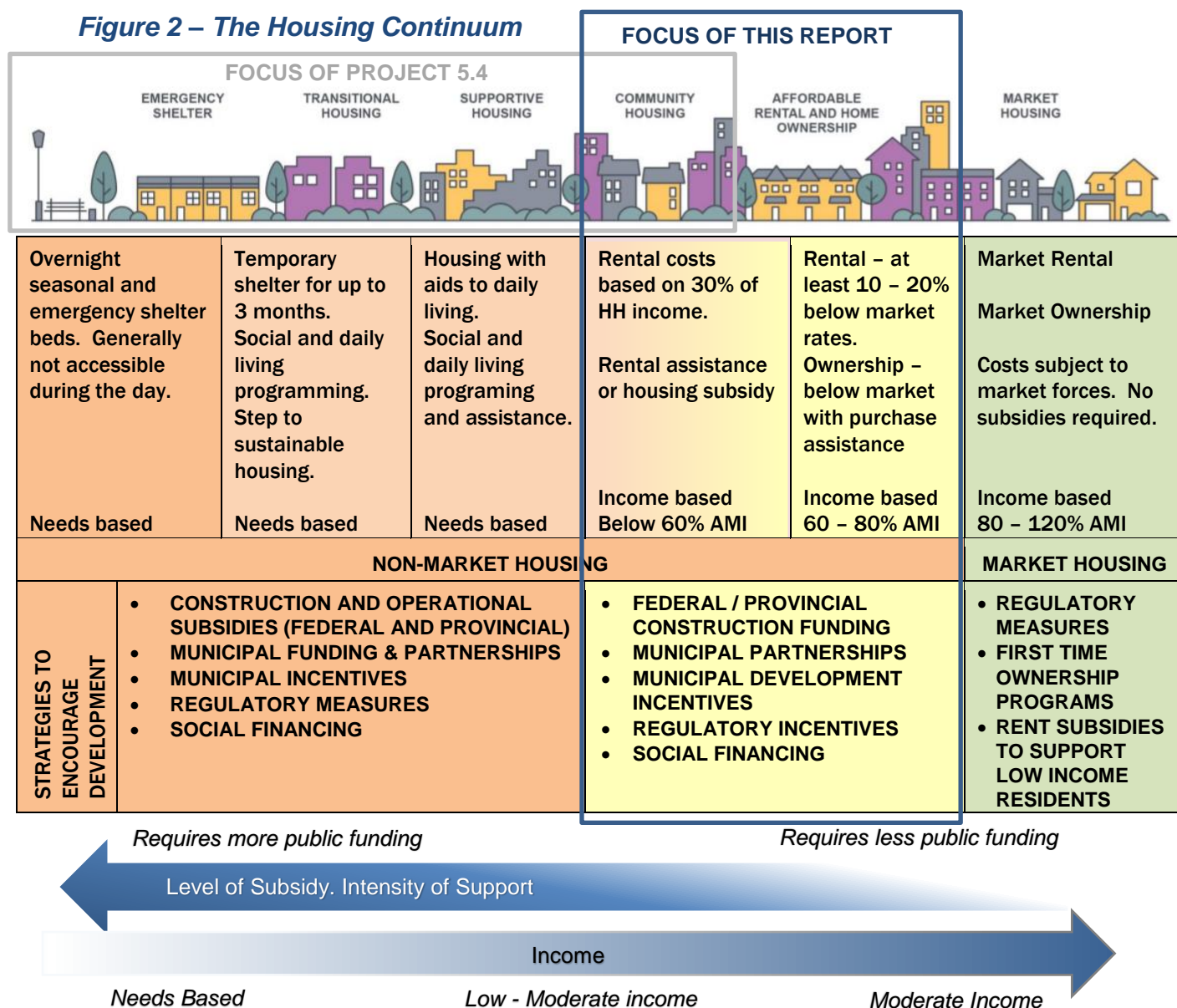
- People requiring mental health and addictions services
- Veterans
- Young adults

In Alberta, the Canada-Alberta Bilateral Housing Agreement³ will invest \$678 million into Alberta social and community housing over a 10-year period, through a cost-matched funding model with the Province and other sources. Municipal funding is identified within the agreement as a tactical funding source, including cash or in-kind contributions.

Provincial/municipal partnerships are a key strategy to align with federal funding distribution guidelines. In the current environment of fiscal restraint and low petroleum prices, municipal contributions will be considered as an economic necessity to enable the Province to access federal funding dollars. Funding opportunities could be missed without municipal contributions to address local housing gaps, and housing needs will continue to rise.

³ CMHC – Alberta [Bilateral Agreement Under the 2017 National Housing Strategy](#)
April 1, 2018 - March 31, 2028.

Figure 2 – The Housing Continuum



Project Focus

The focus of the Housing Affordability and Accessibility Implementation Plan is on measures that support housing diversity and affordability through the private sector and affordable housing partners at near-market rates (10 – 20% below market). Specialized housing for community members with unmet social needs typically requires funding from other levels of government to achieve the needed level of affordability. Supportive programming may also require ongoing operating funding. Community housing, provided at rent geared to income levels (30% of income) may require a rent subsidy on top of the near market rates in order to reduce housing costs to the accepted level.

“Every person has the right to adequate housing. The reality is that some people, no matter how hard they work, cannot afford housing provided by the market.”⁴

THE CITY’S ROLE IN HOUSING

The Federation of Canadian Municipalities states that “Local governments understand local needs. They are well placed to assess local housing solutions – in relation to local patterns of neighbourhood development, land use, transit expansion, economic growth, and beyond”⁵.

The Municipal Government Act (MGA), charges Alberta municipalities with the responsibility to manage land use and development within its borders. In St. Albert, land use and development also must align with the regional vision set out through the Edmonton Metropolitan Region Growth Plan, directing future growth through intensification of built up urban areas, a range of housing types in greenfield areas, future transit-oriented development centres, and a supply of market and non-market housing options in conjunction with supportive services where needed.

Governance Direction

In January 2020, Council approved the following direction on housing governance which directs the City’s role in housing moving forward:

- a. The City’s involvement in promoting affordable and accessible housing will not duplicate areas of responsibility of the senior levels of government but rather will focus on strategic planning and co-ordination of affordable and accessible housing initiatives with municipal goals and priorities.
- b. Municipal resources and investments in affordable and accessible housing would be utilized to expand the non-market housing supply and to leverage operational funding from, and partnerships with, non-municipal sources: and
- c. The City’s Affordable Housing Strategy will clearly emphasize the City role in being open to proposals from a wide range of community partners in increasing affordable housing opportunities in St. Albert; and being open to providing one-time capital grants or land donations or long-term land lease options without providing ongoing operational funding.

This direction designates the City as the key coordinating entity for housing initiatives within its municipal boundaries, implementing a multi-pronged approach for housing and homeless initiatives. To be successful, the City will need to develop an Affordable Housing

⁴ Witwer, Melissa. (2007). [*An Untapped Resource: Encouraging Private Sector Engagement in Affordable Housing*](#). Pg. 74.

⁵ Federation of Canadian Municipalities (2016), [*Canada’s Housing Opportunity*](#).

Program, facilitating housing development targets in alignment with goals related to Council's strategic priorities.

In 2013, Council approved Affordable Housing Policy C-P&E-06. This Policy defines the City's role, responsibilities, and involvement in the delivery of affordable housing programs and services by encouraging and facilitating the development of entry-level, affordable and specialized housing for community members with unmet social needs. The Policy identifies that the city may use research, policy initiatives, financial incentives, regulatory changes, administrative measures, advocacy, partnerships, community education, and the direct provision of housing programs and services when it is deemed appropriate for the City to undertake them.

This Policy is still applicable for the governance direction provided by Council.

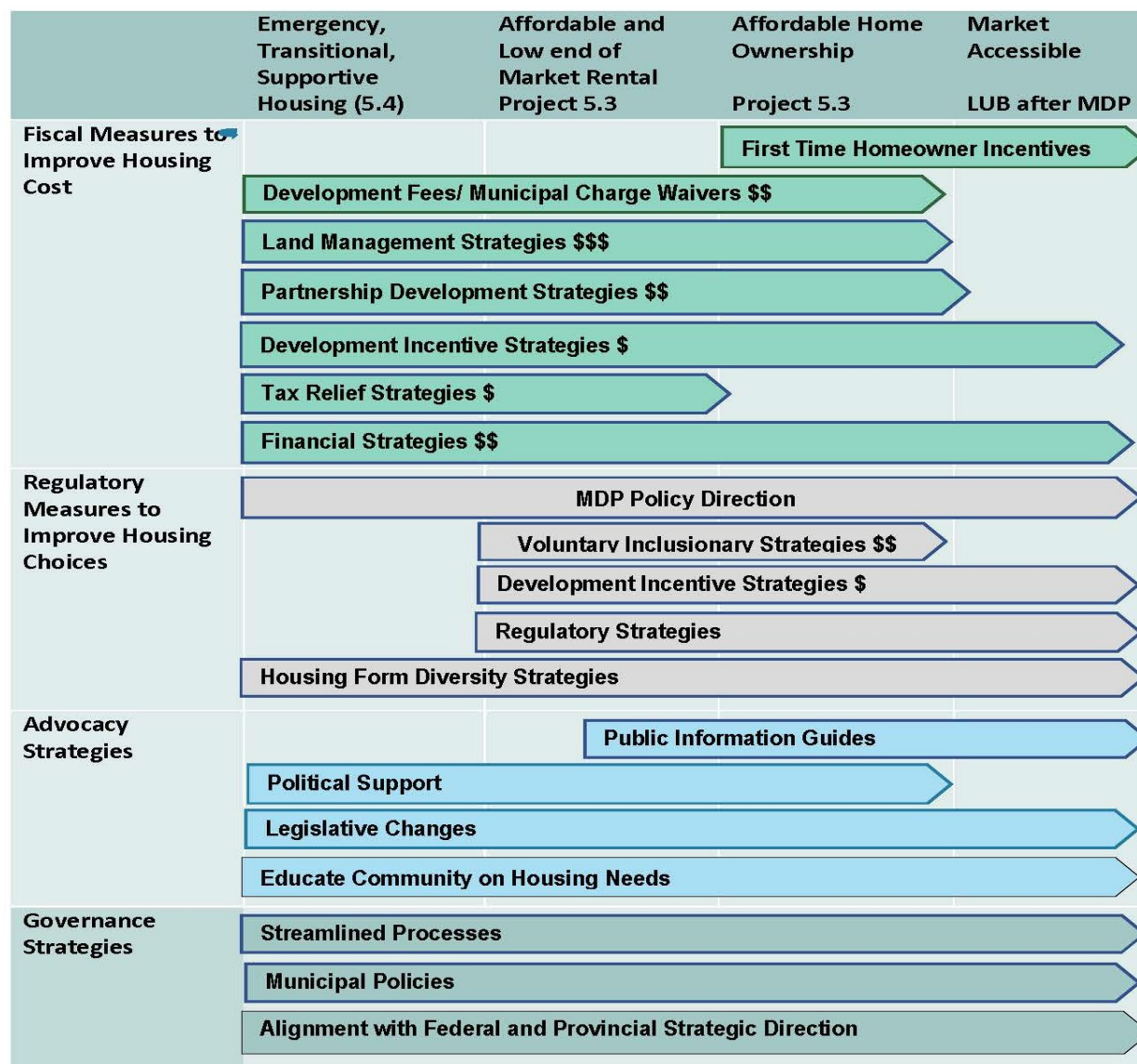
How Can the City Impact Housing Supply?

The City can affect change in the housing supply by incorporating methods to stimulate housing development by:

- Proactively considering housing impacts within municipal policies and land use decisions.
- Providing flexibility in land uses and regulatory requirements to allow for private sector innovation.
- Seeking collaborative solutions to integrate non-market housing in public and private development projects.
- Prioritizing opportunities to integrate housing with municipal services and long-term land and growth strategies.
- Developing effective, collaborative partnerships with local and regional housing providers with the goal towards housing system self-sustainability.
- Actively engaging with government and community partners to advocate and communicate for local solutions to community needs.

While there is no one incentive or regulatory measure that is the proverbial “silver bullet” to reduce housing costs, municipal measures can influence housing development and supply across the spectrum. Some measures are more effective than others to assist with development of specific housing forms, as shown in Figure 3.

Figure 3 – Municipal Actions Impacting Housing Supply



Source: Based on Eberle, Woodward, Thompson and Kraus, 2011, Municipal Measures for Housing Affordability and Diversity in Metro Vancouver.

Providing housing that is affordable is primarily a financial challenge. In the case of rental housing, the cost of development, debt, operating expenses, and maintenance costs must be covered by the rents generated by the property. If projected rents do not meet the required debt service ratio, the project would require an additional funding source or sources to bridge the funding gap and reduce costs to a sustainable level.

The Role of the Private Sector

The private sector develops the majority of the City's housing supply with the primary goal to generate a profit for the company and its shareholders. Anticipated financial returns must align with the company's investment of time, money, and the expertise needed to complete the project, and sell or manage the units. As a result, the private sector can only

effectively contribute to producing housing that provides market or near market returns without financial incentives or subsidies.

Government must be involved in building emergency, transitional, supportive and community housing through development or operational subsidies. Government funding bridges the gap between housing affordability and project sustainability: either at the onset of the project, to reduce the overall cost of development (therefore making it financially viable with lower rents); on an ongoing basis through the subsidy of operations; or in the form of rental assistance to targeted clients to subsidize their rent to an accepted level.

The Canadian financial system reinforces the need for government intervention when approving loans for affordable housing. The Office of the Superintendent of Financial Institutions (OSFI) mandates that at least one level of government (municipal, provincial, federal) must provide contributions that support the affordability of non-market housing projects in order to obtain loan approval.

The Role of Community Development Partners

Homeland Housing is the designated delivery agent for provincially supported housing programs and services in St. Albert and the Sturgeon County area and is recognized as an important partner in future non-market housing planning. Engagement and planning with other housing partners including the St. Albert Housing Society, Habitat for Humanity, the cities two housing cooperatives, and regional organizations such as Capital Region Housing, will enable the City to be open to new partnerships as opportunities arise. The City can also engage in partnerships with other local community organizations and groups to ensure the housing supply responds to un-met social needs and affordability gaps.

While there is no one type of housing that fits everyone, there is also no one action that will provide a solution that will meet all community needs.

Public Input

For the first time in 2019, St. Albert's Community Satisfaction Survey⁶ included questions about housing, by polling a statistically representative sample of the City's residents. In general, two thirds of respondents felt that it was important for the City to have a range of housing options and services to address the gap between rents, housing prices, and income levels.

- Of the respondents who indicated that rental housing did not meet, or somewhat met their expectations, 54% stated that more rental housing options were needed.
- Of the respondents who indicated that ownership housing did not meet, or somewhat met their expectations, 59% stated that housing prices were too high/expensive, and 19% indicated that there was a lack of ownership types and options within the St. Albert market.

⁶ Yardstick Research. [2019 Community Engagement Survey – General Population Survey, Final Report](#) (January 8, 2020).

As the City moves forward with housing planning, additional consultation will occur with the public and community partners to ensure that planned actions can be effectively implemented.

STRATEGIC RECOMMENDATIONS

The following strategic recommendations identify ways the City can influence housing development and supply across the spectrum. While the development industry and other partners will be encouraged to innovate and build market diversity and accessibility within its products, key strategies fall within four areas:

1. Fiscal Measures
2. Regulatory Measures
3. Advocacy Strategies
4. Governance and Policy Direction

Objective #1 – Implement a Housing Incentive Investment Program

Dedicated housing funds are used by municipalities across Canada to provide a sustainable financial resource to address local housing priorities and supply gaps.

The Housing Incentive Investment Program is the primary objective of the Implementation Plan, and is needed to augment development of the City's housing supply in areas that are not met by the private market. The Program will enable the City to effectively support partner organizations through allocation of funding and other resources to foster housing development in targeted gap areas, and to foster better outcomes for low and moderate income residents through collaboration with housing partners. The Program's proposed funding model indicates a strong leadership commitment towards housing, necessary to capture additional funding from other levels of government and community partners as a leverage strategy.

Examples of program expenditures could include:

- Development Incentive Programs – provides specific funding to developments that align with desired municipal objectives such as accessibility, rental housing, downtown development, energy efficiency, or affordability.
- Homeownership Programs - shared equity or down payment assistance grants, or deferred land purchase measures to assist first time homebuyers.
- Property tax abatements for a defined period as a development incentive,
- Municipal fee rebates for projects supporting an affordability component as a development incentive.
- Family friendly multi-family housing incentives.
- Renewable Energy Development Incentives – district energy systems, passive solar building design, net zero ready building systems.
- Energy generation incentives to reduce operational costs and provide an alternative revenue source.

- Energy efficient construction incentives to reduce the carbon footprint and improve building performance.
- Partnership commitments to community service spaces.

While Administration has identified potential revenue sources that could be designated towards the Program, either singly or in combination, the most consistent source of funding would be through municipal tax revenue starting in the 2021 budget year. Inconsistent, sporadic funding does not enable long-term program planning and restricts the ability to meet identified performance targets.

City of Saskatoon – Housing Incentives

Saskatoon's Neighbourhood Land Development Fund helps fund affordable housing projects through the 10% Capital Grant Program to assist with increasing the supply of affordable rental units where regular market forces are not supplying the housing stock to meet the needs of the community. The level of capital grants is dependent on the types of units, the level of rents below market rates, and how many years the owner commits to keeping the rent affordable.

2018 Funding: \$400,000 2018 Target: 250 units Units Achieved: 142

The grant amounts do not stimulate the construction of affordable rental units on their own, but when combined with grants from other levels of government, the City is able to create additional units by stretching available funding.

Saskatoon's housing stakeholders recognize that the city is the smallest government funder for housing however, many housing projects would not attract funding from the other levels of government without a municipal contribution⁷.

⁷ City of Saskatoon (March 5, 2018). [Status report on the Ten-Year Housing Business Plan 2013 – 2022](#).

Table 5 – Potential Housing Incentive Investment Program Funding Sources

Source	Considerations	Recommendation
<p>Municipal Taxes – An equivalent of an annual \$4 per person tax levy (cost of a latte) to support housing initiatives in St. Albert aligned to the Consumer Price Index for inflation.</p> <p>The proposed portion of tax revenue roughly works out to the cost of purchasing one unit/year (\$260,000) but could assist with a significantly higher number of units as illustrated by Saskatoon’s program.</p>	<p>Council may not support using municipal taxes as a revenue source.</p> <p><u>Best Practice Example:</u> Canmore Perpetual Affordable Housing Fund contributions through taxes. Provides \$725,000/yr. towards perpetually affordable housing development strategies.</p>	<p>Required - Primary Funding Source for the Housing Affordability and Accessibility Fund for the 2021 budget year</p>
<p>Land Sales – a percentage of proceeds from municipal land sales and disposition of road right of ways.</p>	<p>The City does not sell or dispose of land on a regular basis.</p>	<p>Recommended</p>
<p>Deferred Land Purchase Program – allocation of deferred land purchase revenue from City owned land.</p>	<p>Revenue amounts and conditions subject to a negotiated agreement. Revenue source would depend on whether land has been offered in this manner.</p>	<p>Recommended</p>
<p>Voluntary Inclusionary Housing Contributions – Donation of funds or units as condition of redistricting application approval.</p>	<p>Voluntary contributions may be limited (Edmonton has received \$45,000 in developer contributions over 10 years (2008 – 2018) through a similar program). May be perceived as a potential conflict of interest by the public.</p>	<p>Recommended</p>
<p>Development levies – a levy on greenfield residential developments.</p>	<p>Offsets the impacts of higher density developments or new commercial spaces to facilitate a community service as part of growth related infrastructure.</p>	<p>Not Recommended</p>
<p>Density Bonus Fund Contributions – voluntary contributions towards housing affordability when additional density is approved.</p>	<p>Density bonus must be consistently applied, and produce a value high enough to warrant a financial payment.</p>	<p>Not Recommended</p>
<p>Plebiscite for Housing Investment Fund – used to discern public support towards a housing investment program revenue source.</p>	<p>Plebiscite cost, advertising and public awareness. May not be supported by the public. Best Practice Example: Seattle and Denver Housing Levy</p>	<p>Not Recommended</p>
<p>Tax on Air BnB units</p>	<p>Substantial level of work to warrant the income received.</p>	<p>Not Recommended</p>

Upon receiving direction from Council to implement the Housing Incentive Investment Program, additional work will be undertaken to determine if other funding sources exist that would be better suited for allocation towards the proposed program.

Funding Model

In order to ensure access to housing affordability, stable municipal funding is required. By allocating \$4 per citizen as per the most recent census data, to be funded from taxes, Administration can effectively support and improve housing affordability and accessibility. Management and accountability of the funding would be established through an annual report to Council, which would be in alignment with effective monitoring of performance measures. Strategic input into the funding distribution would be sought from community partners, the public, and the Community Services Advisory Committee.

Funding would be designated to deliver actions across the housing spectrum allocated to a combination of capital and program funding, allowing for adjustments as needed:

- 40% - Social housing programs to assist with housing stability and affordability for vulnerable populations.
- 50% - Capital housing investments to assist with reducing housing development costs (community housing, affordable rental, attainable home ownership, and accessible housing initiatives), and to leverage additional funding from other sources.
- 10% - Affordable housing preservation fund to assist with regeneration and preservation of existing affordable housing units.

Housing Investment Program Land Strategies

“The transfer of public lands is a key tool and valuable incentive that governments have to encourage the development of enduring affordable housing projects.”⁸

Land is a limited commodity. Municipally-owned land assets can be protected from speculation occurring in the private market, and be retained for community purposes. The land value could be included as a municipal contribution to reduce development costs, and improve the overall affordability of the project, leveraging existing, non-liquid assets without impacts to municipal budgets.

The City has undertaken previous work on the City’s Corporate Land Strategy stating a vision for the City to acquire and manage its land assets to facilitate and foster social, economic, and cultural prosperity. Opportunities to repurpose or develop sites at strategic locations for housing, either on its own or in conjunction with other municipal uses, is an effective strategy to improve affordability and maximize land development capacity.

⁸ Malisani, Jorge A. (January 2019). [Public Land Transfer Practices for Affordable Housing](#). CMHC Research Insight.

Recommended Actions		Anticipated Outcomes/Notes
Short Term (0 – 3 years)		
L1	Allocate a city owned parcel in the Downtown District for a mixed market housing development.	<ul style="list-style-type: none"> - Repurposes an underutilized land asset. - Fosters downtown growth. - An Expression of Interest has been issued for 22 St. Thomas and 2 St. Anne Street. Future steps will depend on Council's direction.
L2	Implement changes to the Land Transactions Policy C-ED-03 to enable the disposition of municipally owned land at less than market rates for a community benefit (non-market housing).	<ul style="list-style-type: none"> - Includes housing as a consideration for municipal land management.
L3	Implement actions identified in Sustainable Buildings Policy C-P&E-12 to co-locate multiple uses on municipally owned land.	<ul style="list-style-type: none"> - Synergies achieved through co-location with municipal uses. - Maximizes municipal land assets.
Medium – Long Term (3 – 10 years)		
L4	Consider municipal land acquisition in long range planning strategies.	<ul style="list-style-type: none"> - Encourages growth and development in strategic locations impacting affordability (Transit Oriented Development nodes, employment centres).
L5	<p>Evaluate municipal sites through the City's Land Management Strategy to consider the use of vacant or underutilized municipal sites for housing where appropriate to do so.</p> <p>Implement land disposition strategies that provide an ongoing benefit to the City either through a long term lease or land disposition at less than market value for a community benefit.</p>	<ul style="list-style-type: none"> - Allocates an existing resource without impacting municipal budgets. - Offers an opportunity to repurpose vacant or underutilized sites and/or building for housing development, utilizing an asset already owned by the City. - Maximizes the use of municipal land assets, and sharing of infrastructure services based on corporate priorities.
L6	Work with community school board partners to evaluate the use of former school sites or surplus school sites for housing.	<ul style="list-style-type: none"> - Repurposes an underutilized land asset. - The MGA allows for transfer of surplus school site building and parking areas for housing under the Community Services Reserve designation if school boards release their interest in the site.
L7	Work in partnership with the Provincial and Federal governments to evaluate the potential to repurpose federally and provincially owned lands towards non-market/mixed market housing models.	<ul style="list-style-type: none"> - Strategy is in alignment with Provincial and Federal direction. - Sites are limited at this time, but may expand due to annexation. - Provincial land disposition – negotiate first right of refusal.

Objective #2 – Establish Housing Targets and Performance Measures

One key goal within Housing Incentive Investment Programs is to establish housing targets and performance measures in alignment with the fiscal resources available to accomplish them.

The City will develop housing targets through the Housing Incentive Implementation Program expenditures in conjunction with actions to respond to the percentage of households that fall within the City's mandate to address. Performance measures will target new housing stock created over an established time period, reporting the health of the housing market, improvements to vacancy and ownership rates, and how Housing Incentive Investment Program funding was allocated.

Objective #3 – Implement Best Practices for Alternative Financing

In December 2018, Canada Mortgage and Housing published its study findings on *Innovative Financing Approaches/Potential Financing Options for Affordable Housing*⁹. This literature review focused on the ways social financing approaches have been used to support affordable housing.

1. **Social finance initiatives** such as social impact bonds, social impact investing, and housing funds.
2. **Soliciting donations** through special need groups, foundations, faith-based groups, philanthropists, clubs, charitable groups, community groups, as well as crowd funding from the general public.
3. **Tapping into existing equity** of a housing project in order to get a better borrowing rate for maintenance and rehabilitation.
4. **Preserving land for affordable housing** through Community Land Trusts.
5. **Restructuring loan payments**, such as through shared equity mortgages.
6. **Real Estate Investment Trusts (REITs)** for affordable housing (not applicable to Canada).
7. **New partnership initiatives** to aid housing providers.
8. **Life leases**, a form of tenure between ownership and renting.
9. **Energy Saving Performance Agreements** to finance retrofitting.
10. **Funding from new taxes**, such as tax on real estate speculation.

Many of the opportunities identified could not / or have not been implemented previously in Alberta. Refer to: Appendix 1

Applicability to St. Albert

Alternative financing strategies require a level of competency and familiarity with financial markets in order to develop financial instruments that align with regulatory requirements

⁹ CMHC Housing Research Report (2016). [Innovative Financing approaches/Potential Financing Options for Affordable Housing](#): A Critical Literature Review.

and attract investors. As the City does not intend on owning or developing housing on its own accord, the most beneficial way the City could contribute to alternative financing would be to implement programs that could provide a benefit to all housing stakeholders. The City would have the option to underwrite loans to housing partners, however it would impact the City's credit limit and borrowing capacity.

Energy Performance Contracts have been used to deliver energy upgrades through an alternative financing arrangement between an organization and an energy service company. This approach could assist housing operators with capital improvement expenses that could be repaid from realized energy cost savings, should the City proceed with creating a municipal energy service company. After the payout period has been completed, the organization would benefit from ongoing cost savings from reduced utility expenses. As an alternative financing strategy, this method would assist housing organizations with a way to finance energy improvements without upfront costs, generating future cost savings for the housing operator.

Other opportunities for alternative financing include community bonds, the Federation of Canadian Municipalities Sustainable Affordable Housing Fund for energy efficient retrofits or new builds, and accessing financing through the HPC Housing Investment Corporation. Interest free loans and non-repayable contributions are available through Canada Mortgage and Housing Corporation (CMHC) to assist with planning costs through CMHC's Seed Funding Initiative.

Grant opportunities will continue to emerge in response to the National Housing Strategy and government programs and initiatives. While an exhaustive list could be developed at a specific point in time, grants are typically time sensitive, and may not be applicable when referenced in the future.

The simplest and most direct way the City can support affordable housing development is to have funding and resources such as land readily available to respond to grant and development opportunities applicable to the City and its community partners.

Objective #4 – Improve Housing Choice for Market Affordable Housing

In 2018, the City completed a comprehensive regulatory review of residential districts in the Land Use Bylaw. New regulatory tools facilitated changes to building heights, densities, site setbacks, and permitted combined housing types within two new districts (RX and RXL), to provide more development flexibility. Lanes have been implemented in the RXL District, allowing housing options with rear garages and parking from the lane. Secondary suite regulations have been expanded, enabling garden and garage suites on applicable single-family lots as a tool to expand rental housing options in new and existing neighbourhoods throughout the City.

In response to Council's direction for improved housing diversity and accessibility in the market affordable housing stock, a review of development options is currently being undertaken in consultation with the development industry. Administration will be

presenting these options to the Community Growth and Infrastructure Standing Committee on June 9, 2020 for feedback and direction on future implementation.

Moving forward, *Flourish*, the City's new Municipal Development Plan (MDP) will provide the basis for new policy direction to enable future development opportunities. To ensure that St. Albert's Land Use Districts align with the newly approved policies, a comprehensive review of all districts within the Land Use Bylaw (LUB) will be required, subject to the approval of the capital budget to undertake this work. Alignment of the LUB with approved strategic policies will provide the City with the greatest opportunity to diversify the housing stock in a manner that has already been endorsed.

Objective #5 – Align Housing Policy with Corporate Direction

Corporate policies currently guide municipal actions impacting land development and sustainability measures. The recommendations aligning with this objective identify actions with regards to advocacy direction, policy implementation, accessibility, and process improvements.

<i>Actions to Improve Housing Policy</i>		<i>Implementation Considerations</i>
<i>Short Term (1 – 3 years)</i>		
P1	<u>Recognize the Importance of Retaining the City's Existing Affordable Housing Stock</u> - Advocate for housing affordability retention with Provincial and Federal governments	- The City should take every effort to retain existing affordable housing stock, and risks the loss of affordable units through the ending of provincial and federal housing agreements. - Ending of cooperative housing agreements may mean the loss of rent subsidies on up to half of the 93 cooperative units.
P2	<u>Evaluate New Developments through a Community Sustainability checklist</u>	- Attribute points for desired sustainable features in alignment with community values as a housing program incentive tool, allocating an overall score for the project and potential eligibility for funding incentives. - Measures desirable development features from an environmental, economic, social, and affordability lens.
P3	Develop a <u>Housing Advocacy Plan</u> to direct conversations with government partners.	Ongoing provincial advocacy is needed to continue the conversation for an adequate level of housing funding to the city in alignment with contribution strategies being utilized elsewhere.
<i>Medium – Long Term (3 – 10 years)</i>		
P4	Incorporate <u>accessibility features into building designs</u> on all projects that include some form of municipal fiscal support.	- Universal accessibility is not mandated by the building code. Use of municipal funding encourages features to be incorporated into structures receiving funding from the City. - Improves social and physical inclusion.

Actions to Improve Housing Policy	Implementation Considerations
<p>P5 <u>Update the Affordable Housing Strategy</u></p>	<p>Consolidate approaches within the Affordable Housing Strategy, Community Housing Plan, Affordable Housing Delivery Model, Housing Diversity Action Plan, and Housing Options for Diversity and Affordability.</p> <ul style="list-style-type: none"> - Identify strategic processes over the next 10 years. - Business funding plan needed
<p>P6 <u>Update the Affordable Housing Policy</u></p>	<ul style="list-style-type: none"> - Align with the updated Affordable Housing Strategy and new MDP - Update target income levels.
<p>P7 <u>Evaluate a Density Bonus Policy to Create Affordable Units in Alignment with a Voluntary Inclusionary Contribution Policy</u></p> <p>Mandatory policies are more effective but <u>not permitted</u> under the MGA</p> <ul style="list-style-type: none"> - Investigate options to obtain housing units through density bonus (more units, greater building area or heights) in exchange for a community housing benefit, and/or voluntary monetary contributions towards a housing fund on redistricting or redevelopment applications. 	<p>Incentive would be reliant on project size, value of the incentive, strength of the development market, and developer willingness to undertake. Benefit would need to be of enough value to be attractive as a voluntary incentive.</p> <ul style="list-style-type: none"> - Bonus is less effective in communities where land values are lower and developers are content to build out instead of up¹⁰. <p><u>Cons</u></p> <ul style="list-style-type: none"> - Value of housing contribution may not reflect the amount of increased density permitted. - Invites speculation from the public about development agreements between private industry and the municipality. - Requires a funding source to purchase the units developed, and a housing operator to operate the units as affordable for a specified period.
<p>P8 <u>Continue to implement process improvements to maintain prompt development service timelines</u></p>	<ul style="list-style-type: none"> - St. Albert's development permit timelines have been optimized, providing a decision on low density permit applications within 10 days of receiving a complete application. - More complicated multi-family applications are processed within the timelines dictated through the MGA but require time for circulation comments from internal and external stakeholders.

¹⁰ BC Climate Action Toolkit. Incentive for Density Programs. Retrieved from: <https://www.toolkit.bc.ca/tool/density-bonusing>

SUMMARY

The goals and actions identified within the Housing Diversity and Accessibility Implementation Plan are intended to expand housing choices, and provide a sustainable funding model to enable future housing supply in areas where gaps currently exist. St. Albert requires a full and balanced mix of housing choices to maintain the City's quality of life, and to ensure all resident's needs are met.

While many of the recommended measures can be accommodated through changes to policies and bylaws, the Housing Incentive Investment Program is the key measure that will provide the City with tools and resources to engage development partners in strategies to address non-market housing needs, in alignment with the fiscal resources to accomplish them.

The economic fallout from COVID will extend far past health restrictions. Housing investment is an effective economic resilience strategy during the recovery phase, stimulating infrastructure growth, supporting local jobs, and providing economic benefits to residents and the local economy.

It's a new era, a new decade, and the right time to start working in a new direction.

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