

CITY POLICY



POLICY NUMBER: C601

REFERENCE:

ADOPTED BY:

City Council August 21, 2018
Effective January 1, 2019

SUPERSEDES:NEW

PREPARED BY: Citizen Services

DATE: January 1, 2019

TITLE: **Affordable Housing Investment Guidelines**

Policy Statement:

Affordable housing is fundamental to the physical, economic, and social well-being of individuals and families and key to maintaining diverse and inclusive communities. The City of Edmonton is committed to increasing the supply of affordable housing and ensuring a range of housing choices, including affordable housing, are available in all areas of the city.

Through various programs and activities, the City of Edmonton supports the creation of new, enhanced and redeveloped affordable housing. The City of Edmonton provides resources, including funding and land, to external organizations to help achieve this goal.

This policy provides guidelines for the City of Edmonton's affordable housing investments, and will enable enhanced transparency and consistency that will benefit City Council, City Administration, external organizations, and the public.

Applicability

This policy applies to instances where:

- The City of Edmonton provides grant funding to an external organization for the purpose of enabling the development of new or rehabilitation of existing affordable housing units;
- The City of Edmonton contributes land (or buildings) at below market value for the purpose of increasing the supply of affordable housing;
- The City of Edmonton acquires land or buildings for the purpose of enabling the development of new affordable housing units; and
- The City of Edmonton makes decisions regarding the use of existing City-owned land or

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buildings surplus to other municipal needs for the purpose of enabling the development of new affordable housing.

In general, this policy will support the following types of activities:

- Project development or planning for an affordable housing capital project (including new construction or rehabilitation)
- Rehabilitation of existing affordable housing units
- Construction of new affordable housing units

This policy does not apply to projects funded under the following programs:

- The Secondary Suites Grant Program
- The First Place Program
- The Building Housing Choices Program
- The Developer-Sponsored Affordable Housing Program

This policy does not apply to decisions related to the renewal or reinvestment in existing City-owned affordable housing developments, City-owned land purchased with dedicated affordable housing funds prior to the approval of this policy, and existing affordable housing developments constructed on City-owned land.

Principles

When designing affordable housing programs and making affordable housing investment decisions, the City of Edmonton should consider the following guiding principles:

- *Effectiveness* - City affordable housing processes should be designed based on the principles of effectiveness, practicality, and simplicity. As much as possible, City processes should support expeditious development of affordable housing projects.
- *Responsiveness* - Affordable housing investments should be responsive to the specific needs of Edmontonians who are experiencing housing affordability challenges.
- *High quality design* - Affordable housing buildings should incorporate high quality design.
- *Community engagement* - The community should be engaged appropriately in the development of affordable housing policies, programs and projects.
- *Flexibility* - City affordable housing funding guidelines must be broad enough to ensure sufficient flexibility in aligning with provincial and federal government funding programs.

Investment Guidelines

The City of Edmonton will consider the following when prioritizing eligible funding applications from external organizations for affordable housing developments and making decisions regarding the acquisition or disposition of eligible surplus land or buildings for the purposes of enabling the provision of affordable housing:

- Neighbourhood affordable housing target and ratio, and the broader geographic context

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- Degree of housing affordability
 - Funding or other eligible contributions from other sources
 - Proximity to amenities and services
 - Overall project design

Policy Exceptions

In certain cases, and subject to City Council approval, modified approaches or exceptions to this policy may be made to allow an accelerated project approval schedule, to be guided by one or both of the following criteria:

- Special external funding opportunities
- City Council or Committee-directed priority projects

Policy review

This policy will be reviewed, at minimum, every five years.

Definitions

Affordable housing

Affordable housing means rental or ownership housing that requires upfront and/or ongoing direct government subsidies. These subsidies ensure that affordable housing has rental or mortgage payments below average market cost and is targeted for occupancy by households who earn less than median income for their household size. Affordable housing may or may not include on-site supports.

Below market value

Below market value means a price that is below the appraised market value of the asset.

Housing affordability

Housing affordability refers both to the depth of affordability (level of rent or payments charged to the household relative to average market cost) and the length of time rents will be maintained at a level below average market cost.

Neighbourhood affordable housing target

Neighbourhood affordable housing target means the desired ratio of affordable housing units to overall residential units in a defined neighbourhood, as established by City Council.

The purpose of this policy is to: Guide the City's approach to evaluating affordable housing investments.