

OUR AFFORDABLE FUTURE

Building stronger communities in the
CAPITAL REGION



FOREWORD

In March 2011, the Land Use and Housing Committees of the CRB co-sponsored the establishment of an Integrated Land Use and Market Affordable Housing Advisory Committee to provide expert advice on options to increase the supply of Market Affordable Housing in the Capital Region. The policy framework is intended to support the implementation of the Land Use and Housing Plans of the Capital Region Growth Plan.

The scope of the advisory committee's work included consideration of infill and greenfield development, and ownership and rental tenure options within the context of the unique mix of urban and rural municipalities in the Region.



The advisory committee included elected officials, municipal planning administration and representatives from the land development and home building industries (referred to as Industry throughout the report).

The committee spent 18 months discussing ways to reduce the cost of housing as well as numerous long-standing housing and land development issues and a range of policy mechanisms to respond to the need for a broader mix of housing types and affordability to address gaps in entry-level market housing. Topics included creative regulatory policies and processes, innovative housing built-forms to include smaller and smarter designs, innovative construction technologies and techniques that offer medium and long-term savings, and sustainable community design concepts. The committee agreed that innovation in design (built-form) was a significant opportunity to address affordability.

Land servicing standards and subdivision layout were also included under the topic of innovation, as both are potential sources of cost savings.

The advisory committee's monthly meetings were chaired by Sharon Shuya from the CRB Administration. Bill Diepeveen and Kristin Lewis from Alberta Municipal Affairs were facilitators. Gordon and Associates was retained as a Consultant to undertake research and prepare technical material and analyses to support the advisory committee and assist in preparing this report. In addition to the committee members, other municipal planning and engineering staff participated in different meetings and commented on the recommendations. This included administrative representatives from Devon, Edmonton, Leduc, Fort Saskatchewan and St. Albert.

MEMBERS

Anita Fisher - Mayor - Town of Devon
Cathy Heron - Councillor - City of St. Albert
Dana Smith - Alderman - City of Leduc
Peter Wlodarczak- Councillor - Strathcona County
Bob Bjerke - City of Edmonton
Daryl Kreuzer - City of Edmonton
Jeff Price - City of Edmonton
Walter Trocenko - City of Edmonton
David Dmytryshyn - City of Fort Saskatchewan
Deb Irving - City of Spruce Grove
Nancy Laing - Leduc Foundation
Vern Parker - Strathcona County
Glen Cameron - GC Can Limited
Greg Christenson - Christenson Developments
Shane Erickson - Qualico Developments
David Kent - Nearctic Group
Reza Nasserri - Landmark Group of Builders
Jodie Wacko - Beaverbrook Developments

TECHNICAL SUPPORT

Grant Schaffer - City of Fort Saskatchewan
Brad White - City of Fort Saskatchewan
Cory Labrecque - City of Leduc
Carol Bergum - City of St. Albert
Guy Boston - City of St. Albert
Marilyn McMartin - Town of Devon
Bill Diepeveen - Municipal Affairs
Kristin Lewis - Municipal Affairs
Anna D'Agostini - Gordon & Associates
Gary Gordon - Gordon & Associates
Philip O`Hara - Gordon & Associates
Brendan Pinches - Capital Region Board



Report Contents

FOREWORD	i
EXECUTIVE SUMMARY	03
INTRODUCTION	11
CONTEXT	15
APPROACH & PROCESS	17
IMPLEMENTATION PLAN	39
FUTURE WORK	45
CONCLUSION	47

EXECUTIVE SUMMARY


We believe that within the Capital Region we have people with leadership abilities and the courage to tackle this initiative. We invite those people — developers, builders, elected officials, and administrators — to lead the way to advance this cause.



What makes a neighbourhood a true community, one that exudes comfort, security, vibrancy and a sense of belonging? One that welcomes residents and visitors alike as a safe, friendly and interesting place to be? It is difficult to describe and even tougher to achieve, but surely it is what most of us want from the places that we live.

In the coming decade in Alberta, our government, public and private sector companies, and economic development organizations will be actively recruiting thousands of people to move here to contribute and share in our economic growth. They will be drawn by opportunities to build businesses, roads, schools and hospitals, and will hopefully become long-term members of our communities. Some will be single young people eager to get working and become financially independent. Others will be young married couples anxious to get settled and start families or launch careers. Some will be more mature households, transferred or recruited from other parts of the country or world, who have left behind familiar scenery and beloved family and friends.

This is not the first time in recent years that our Region has experienced a large and rapid influx of newcomers.



In the 2006-2008 boom, we were not ready. We had an inadequate housing supply, consisting primarily of single-detached houses, not necessarily suited to the needs of the in-migrating population

—a demographic of blue collar, skilled knowledge workers and new Canadian families who were generally young and making modest incomes. Our municipalities struggled to provide services for their booming populations. Housing prices rose as the supply did not match the growing demand. The quality of what was

built during the ensuing building boom suffered for the questionable building practices of a few builders. As a result, we vowed to be ready not just for the next boom, but to commit to a more robust system of planning, adaptable to the up-and-down nature of our economic cycles.

Now we have the opportunity to get it right. Here in the Capital Region we expect nearly 200,000 new people to arrive over the next 10 years. They will come because the opportunity is here. We need workers from all walks of life. They will need places to live. The diversity and sheer number of households arriving in our Region will transform the demographic make-up of our municipalities, requiring us to rethink our municipal development plans to reflect this new reality.

Single-detached homes are not accessible to all, nor will they be the choice for many incoming households. A diverse housing stock will be essential and should include options such as walk-up apartments, high-rise condo units, town homes, detached and semi-detached homes, modular and mobile homes. Some households will want to live in Edmonton, some in smaller cities and towns and others in rural communities. Some people will want to rent, others to own. They will choose based on their needs, wants and what they can afford to pay. Providing the needed product in the right places at the right price is a challenge in itself, but making certain that Market Affordable Housing (MAH) is well-integrated and attractive and of sufficient quantity is also of critical importance.



To increase the supply of Market Affordable Housing we must examine what is contributing to the cost and minimize or remove any unnecessary factors. When assessing how housing is provided in our Region, each stakeholder, from elected officials and municipal administrators to developers and home builders, must account for their contribution. We need to challenge age-old ways of doing things to ensure we are building housing of various types and densities with consideration to costs, so that we have housing available to all income levels which are built to meet the social, environmental and economic goals of the Capital Region. That means we must go beyond the development of sprawling tracts of single-detached houses in cookie cutter subdivisions. The high cost of new infrastructure and public services demands that we find a more innovative, economically sustainable and environmentally responsible approach to residential development.

In the Capital Region, we are fortunate to have a good mix of urban and rural municipalities. Whether it is in a large city or a small town or a rural community, an appropriate assortment of types and a range of market affordable housing options must be provided to attract and retain all residents. In most cases within the Capital Region, meeting the housing needs will mean increasing density within existing communities instead of expanding municipal boundaries.

For some of the smaller and rural municipalities, attracting young people and families could provide the economic boost needed to keep the community thriving. In order to support the level of local services and amenities that resident's desire, a diverse and affordable housing stock must be established to draw and retain households in these contexts. If there

is no housing available, or if it is not suitable or affordable, people will look elsewhere. For that reason, the Capital Region Board (CRB) Housing and Land Use Committees formed an advisory committee to provide counsel on how to increase the supply of Market Affordable Housing to meet demand. The committee has worked hard to develop a policy framework that will equip Capital Region municipalities to better serve their existing citizens and accommodate all those who choose to come and be a part of our communities.

Achieving our economic goals will not happen without vision, will, commitment and the collaboration of all those involved, including residents. It will require open minds, flexibility, compromise, re-evaluating planning and development patterns, and a willingness to lead change — be it in building design, zoning, development permits, or attitudes of residents — to better reflect the needs of the next generation of residents. The challenge, clearly, is to leverage the existing regulatory framework to accomplish more in terms of livable, healthy, vibrant and sustainable communities.

We understand that this takes leadership, courage and a lot of collaboration. Builders and developers will need to rethink traditional housing concepts and look to implement new methods and technologies that will increase efficiency and reduce cost. Administrators will need to look, with fresh eyes and open minds, at decades old bylaws and development procedures to ensure that enabling interpretations and inventive attitudes replace barriers and restrictions. Elected officials will need to champion the idea that a neighbourhood is not a static, one-size-fits-all entity and that a sustainable, demographically diverse and architecturally interesting community will generate energy and activity among its residents.

Edmonton area employers expect a booming hiring climate for the fourth quarter of 2012, according to the latest Manpower Employment Outlook Survey.

“Survey data reveals that 40 per cent of employers plan to hire in the upcoming quarter (October to December) while none anticipate cutbacks,” stated Shameer Tharani of Manpower’s Calgary office. Another 57 per cent of employers plan to maintain their current staff levels and three per cent are unsure of their hiring intentions for the upcoming quarter.”

—Edmonton Journal, September 11th, 2012

Average Annual Employment Growth and Forecast Edmonton Census Metropolitan Area (CMA)



Purchasing Ability of Households Earning 100 - 125% of Median Income for Selected CRB Municipalities

The following table shows the purchase price that households earning between 100 and 125% of the median renter income for their community can afford. For comparative purposes, the median MLS selling price for a condominium and single detached house for each community are also included on the right hand columns.

	HH Size (People)	Annual Income* 2008	100% Annual Income 2012	Month Income 32%	Maximum Purchase Price	125% Annual Income 2012	Month Income 32%	Maximum Purchase Price	2012 Median Condo Price**	2012 Median House Price**
LEDUC	1	\$24,890	27,462	732	\$115,000	\$34,328	\$915	\$143,000		
	2	\$44,476	49,072	1,309	\$205,000	\$61,340	\$1,636	\$255,000		
	3	\$67,271	74,223	1,979	\$309,000	\$92,778	\$2,474	\$386,000		
	4	\$67,442	74,411	1,984	\$310,000	\$93,014	\$2,480	\$388,000		
EDMONTON	1	\$26,489	29,226	\$779	\$122,000	\$36,533	\$974	\$152,000		
	2	\$47,307	52,196	\$1,392	\$218,000	\$65,244	\$1,740	\$272,000		
	3	\$51,006	56,277	\$1,501	\$235,000	\$70,346	\$1,876	\$293,000		
	4	\$59,027	65,127	\$1,737	\$272,000	\$81,408	\$2,171	\$340,000		
SPRUCE GROVE	1	\$36,406	40,168	\$1,071	\$167,000	\$50,210	\$1,339	\$209,000		
	2	\$55,017	60,702	\$1,619	\$253,000	\$75,878	\$2,023	\$316,000		
	3	\$52,050	57,429	\$1,531	\$239,000	\$71,786	\$1,914	\$299,000		
	4	\$85,854	94,726	\$2,526	\$395,000	\$118,407	\$3,158	\$493,000		
MORINVILLE	1	\$28,583	31,537	\$841	\$118,000	\$39,421	\$1,051	\$147,000		
	2	\$40,133	44,280	\$1,181	\$185,000	\$55,350	\$1,476	\$231,000		
	3	\$71,105	78,453	\$2,092	\$327,000	\$98,066	\$2,615	\$408,000		
	4	\$67,790	74,795	\$1,995	\$312,000	\$93,494	\$2,493	\$390,000		
DEVON	1	\$26,025	28,714	\$766	\$119,000	\$35,893	\$957	\$150,000		
	2	\$53,205	58,703	\$1,565	\$245,000	\$73,379	\$1,957	\$306,000		
	3	\$65,884	72,692	\$1,938	\$303,000	\$90,865	\$2,423	\$379,000		
	4	\$59,637	65,800	\$1,755	\$274,000	\$82,250	\$2,193	\$343,000		
FORT SASKATCHEWAN	1	\$28,285	31,208	\$832	\$141,000	\$39,010	\$1,040	\$176,000		
	2	\$56,830	62,703	\$1,672	\$282,500	\$78,378	\$2,090	\$353,000		
	3	\$81,776	90,226	\$2,406	\$406,000	\$112,783	\$3,008	\$508,000		
	4	\$80,403	88,712	\$2,366	\$400,000	\$110,889	\$2,957	\$500,000		

Sources:

* Statistics Canada (Tax Filer data) ** Edmonton Real Estate Board - August 2012 MLS data

Compiled by Advisory Committee

Assumptions:

- | | | | |
|---|---|---|---|
| 1 | 10% Downpayment | 5 | Interest Rate - 5.2% (5 year term) |
| 2 | CMHC Insurance | 6 | Amortization Period - 25 years |
| 3 | Property Taxes - 0.6% of purchase price | 7 | 2008 Incomes inflated by 4% for 2009, 3% for 2010 and 3% for 2011 |
| 4 | Utilities - 1% of purchase price | 8 | Utilities and condominium fees are not included |

This report’s recommendations propose a set of actions with shared accountability and responsibilities, inviting each of us to collectively and collaboratively explore options to achieve a diverse and sufficient supply of Market Affordable Housing through new development opportunities, both infill and greenfield.

To do this, what is needed is a more flexible and sustainable development environment; one that adapts to the ebb and flow of economic cycles. We must embrace a development culture that serves the needs of current and future residents of the Region. What role can creative partnerships play in achieving this vision for our municipalities?


Builders and developers must do their part to reduce costs by incorporating new technologies and better designs; however, there is no incentive for Industry to change unless elected officials and administrators lead the way. If creative plans still get mired in administrative procedures, why would they bother?

By committing to implement the report’s recommendations, CRB member municipalities will lead by example in shaping the future residential growth in this Region. The report recommendations call for municipalities to identify an ambassador for housing from each Council and an Administrative Champion from within each municipal administration to facilitate market affordable housing projects through their local system. These elected officials and administrative staff will set a tone of expectations for what is needed in the way of

market affordable housing in their municipality, working with Industry partners to achieve their long-term housing goals. Local politicians will spark a public discussion on the importance of appropriate housing for a balanced community that will meet the needs of all. If residents understand that a healthy, thriving community needs a diverse, tax-paying population to support programs and infrastructure, they might be more welcoming of the changes needed to sustain and enrich their municipality.

If all the stakeholders do their part, municipalities in the Capital Region will be the winners. Our communities will attract and retain new workers and their families who come for the long-term employment opportunities and the quality of life. We will not be communities that people leave as soon as they have made enough money to go “home.” Everyone will want to stay here, contribute to expanding our economy and continue to build our cities and towns for the generations to come.



- 
- 1 CRB Member Councils agree to demonstrate leadership by making Market Affordable Housing a priority and appointing a member of their council as an ambassador.
 - 2 Municipalities agree to demonstrate leadership in Market Affordable Housing by appointing a member of their municipal administration as a champion.
 - 3 Land development and housing industries agree to demonstrate leadership and support for Market Affordable Housing by identifying an ambassador and champions to work with municipalities.
 - 4 Municipalities and industry agree to work together to review municipal planning regulations and zoning bylaws for opportunities to increase flexibility to support innovative designs and new construction techniques.
 - 5 Municipalities and industry agree to work together to review their development approval and permitting systems and practices, and benchmark with comparable municipalities to ensure they are efficient and effective when processing complete applications.
 - 6 Municipalities and industry agree to work together to develop innovative and creative housing development proposals to create Market Affordable Housing.
 - 7 Municipalities and industry agree to undertake a joint review of infrastructure and development standards to identify new approaches to reduce the cost of housing, without compromising health, safety and life-cycle requirements.
 - 8 Municipalities, industry and the community agree to work collaboratively to develop the community engagement approach that best supports the nature of the development project.
 - 9 Municipalities in partnership with industry agree to support innovative and creative pilot projects that meet the shared vision and municipality's public policy objectives.
 - 10 Municipalities and industry agree to maintain an ongoing dialogue to ensure the recommendations from this report are implemented, monitored and reported. All ambassadors and champions will participate in these discussions.

RECOMMENDATION



INS

INTRODUCTION



**Achieving our economic goals will not happen
without vision, will, commitment and a collaboration
of all those involved, including residents**



Nearly 200,000 new residents are expected in the Capital Region in the next decade. They will be attracted to the Region for its outstanding employment prospects and superior quality of life. This influx will fuel an increased demand for housing in all Capital Region municipalities.

In establishing the CRB, the Government of Alberta set out the following mandate as part of the board's regulation:

To prepare a plan regarding:

- i) The general location of social housing;
- ii) Options to increase market affordable housing

This mandate was to address the need for a greater mix of housing throughout the Region to accommodate expected population and job growth in the Region for the next 35 years.

This report examines options to meet the expected demand for Market Affordable Housing (MAH) identified as a gap in the Housing Plan in the Capital Region Growth Plan — *Growing Forward*.

Attractive entry-level housing products, for first-time home buyers are in short supply. The Housing Plan recommends that CRB municipalities work with the land development and home building industries to identify options to increase the supply and reduce the cost of entry-level housing. The emphasis is on exploring how different built forms, construction techniques and related policy mechanisms can be used to address the MAH gap in the Region.

Market Affordable Housing (MAH) is defined in the Capital Region Growth Plan as:

Rental or ownership housing that is modest in form and specification and is capable of being produced for moderate-income households by the market without upfront or on-going direct government subsidies. Market Affordable Housing is targeted to people whose household income is 100-150% of median income. Housing prices will vary by municipality since median incomes differ throughout the region.

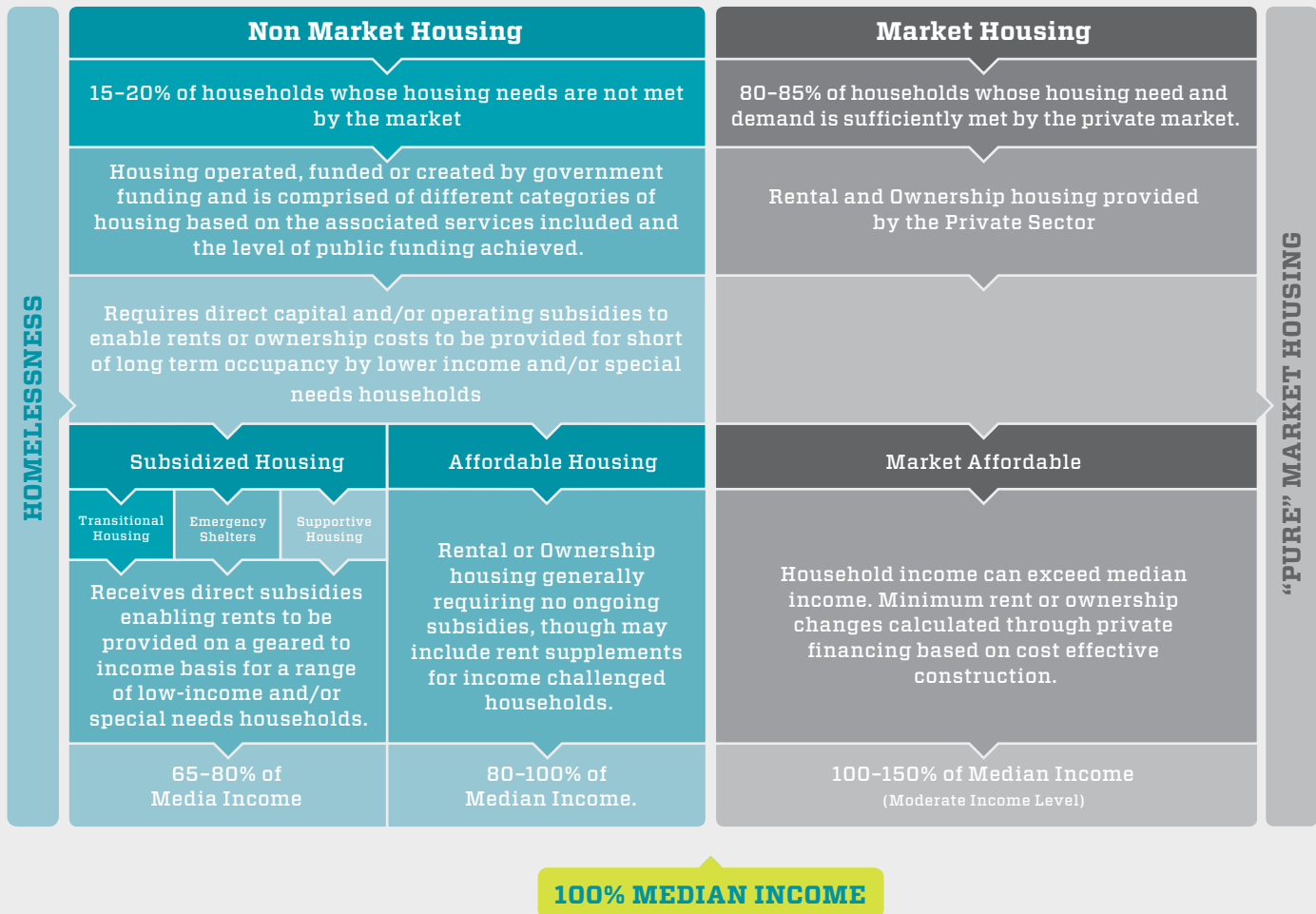
MAH is not to be confused with **Non-Market or Subsidized/Affordable Housing** which requires capital and/or operating subsidies to reduce the cost for lower (below median) income households. Non-Market housing is almost exclusively rental and targeted to those who cannot afford market rental rates. Government programs generally supply the subsidy to bridge the affordability gap.

The housing continuum, found in the Capital Region Housing Plan, describes the full range of housing required to meet the diverse needs of the Capital Region's population. It also describes the areas of involvement for government and the private sector in a fully-functioning continuum.

Market Housing applies to 80 percent of households whose housing needs are met by the private market without direct government subsidies. Under Market Housing, a subcategory known as Market Affordable Housing has been defined as a focus area under the Capital Region



Capital Region Housing Continuum




Housing mandate. While Market Affordable Housing has been identified as a ‘gap’ in the existing housing continuum, due to its scarcity, it is estimated that it could represent up to 20 percent of the total housing market for the Region.

This report presents practical and creative approaches for municipalities and the development industry to ensure a full range of Market Affordable rental and home ownership options exists across the Capital Region.

Housing is a significant part of the equation when considering career opportunities and whether to relocate. Households of all types — couples, families with children, single-parent families, and singles — should all be able to access housing suitable to their needs and budget. Municipalities play a critical role in encouraging and supporting development projects to serve these needs. Those municipalities that do not actively engage in this process, or who impede creative housing development projects, risk becoming economically unsustainable.

Increasing the supply of MAH in all Capital Region communities requires municipal governments to be informed and clearly communicate how much and what kind of housing will meet the current and future population needs of their municipality. Municipalities are encouraged to engage in an open dialogue with the home building industry to develop and implement strategies that will create attractive housing options at a lower cost to the consumer. This may involve a review of some aspects of existing land development and homebuilding: policies, bylaws, permit processes, engineering standards, construction techniques, building materials, and the consideration of new and different built forms. The intent is to understand how existing and new approaches affect the final cost of housing and to implement those that reduce the cost for entry-level housing.

Municipalities may consider programs to stimulate renovation and repurposing of existing structures to create attractive market affordable units. They may consider different tenure options (such as housing cooperatives) and supporting policies and bylaws to enable alternative means of increasing MAH stock, such as secondary suites. Municipalities have many tools to use that can increase MAH options to complement their existing residential fabric.




Critical to the success of this initiative will be winning the support of residents to make these changes. All stakeholders must work together to educate the public about what to expect in their communities if they hope to attract new residents.

Specifically, residents need to understand that the most efficient way of accommodating growth may mean increasing residential density and intensifying development on infill and greenfield lands. Residents will need to see the long-term benefits from these changes... a more vibrant, diverse and sustainable community. Municipal leaders and the land development and home building industries need to work collaboratively to build more integrated and complete communities. These will serve as models to demonstrate how diversity in built forms can create unique and attractive communities that can also accommodate the intergenerational needs of community members.

The Capital Region has experienced the unintended consequences of rapid growth before. During the 2006-2008 boom, understaffed municipalities struggled to keep pace with market demand for permits and application approvals and increasing housing prices outstripped wage increases. Labor shortages in the home building industry, coupled with the housing industry's focus on primarily high-end single-detached housing, created a gap in the supply of entry-level housing products in all municipalities. The conversion of rental housing exacerbated an already strained housing market. And with so much demand, some poor quality boom-time construction occurred. After those experiences, municipal governments vowed to be better prepared to manage future growth.

This report acknowledges the need for the same level of leadership and commitment from all local council's and administrations. Further work is required to understand the specific needs and challenges facing the smaller municipalities in the Region.

CONTEXT

A pair of glasses with a dark frame and clear lenses is positioned in the foreground, resting on a set of architectural blueprints. The blueprints feature various technical drawings, including a circular diagram with internal lines and a rectangular structure. The background is a bright, out-of-focus office space with large windows, where a person in a white shirt and dark trousers is standing and talking on a mobile phone. The overall lighting is warm and natural, suggesting a sunny day.

The development patterns and designs that have dominated the industry for the past 30 years are not likely to deliver the built forms needed for the next 30 years.

The Capital Region Housing Plan was approved by the Government of Alberta in March 2010, as an integral component of the Capital Region Growth plan, *Growing Forward*. Key principles and policies within the growth plan describe how the 24 member municipalities will collectively and collaboratively manage growth in the Region. The growth plan policy framework places a specific emphasis on integrated planning, intensification of development, and increasing residential densities to create more compact and complete communities that offer different lifestyle choices.

The Housing Plan contains a comprehensive housing analysis for each municipality in the Region and establishes the critical link between economic growth and the supply of housing. The goal of the Housing Plan is to enhance the long-term sustainability of the Capital Region by ensuring it remains globally competitive and well-positioned to attract and retain a skilled workforce who choose the Capital Region as a place to live, work and build strong communities.

The Capital Region Housing Plan Vision is:

“There is a sufficient supply, choice and diversity of housing in the Capital Region.”

In response to the goals of the growth plan and other external market influences—a hot job market, labor shortages, and low interest rates—the CRB Housing Committee identified the development of a MAH policy framework and implementation plan as a priority. The purpose of this initiative is to identify efficient, effective and sustainable ways to enable a broader range of housing types and affordability through cost saving measures.

Critical to the success of any efforts will be shaping the expectations of the next generation of buyers towards housing products that suit their needs and affordability levels. The development patterns and designs that have dominated the industry for the past 30 years are not likely to deliver the built forms needed for the next 30 years. Entry-level housing solutions must provide more than just a base-level home. In order to gain market acceptance, new product must demonstrate innovation and attractiveness. This will require extensive dialogue, collaboration and cooperation among all stakeholders and a commitment to considering a range of options in housing types and affordability by all municipalities.

Recognizing that housing price increases stem from “demand-pull inflation” (too much demand chasing too few goods) as well as housing cost increases, now is the time to act before demand-pull inflation arising from increased net in-migration undermines our efforts to reduce housing prices through reduced input costs alone.

APPROACH & PROCESS



The development of a Market Affordable Housing policy framework was complex, involving a broad range of topics and long-standing issues which all contribute to the cost of housing. To ensure focus and to guide its work, the committee developed the following goal statement:

“To develop streamlined implementable options that will permit the supply of Market Affordable Housing in the Capital Region”

Committee members developed a list of 42 opportunities or barriers to reducing the housing costs that were organized under 7 categories:

- **Development standards** (included zoning and engineering)
- **Costs**
- **Processing** (included application approvals, permitting, etc.)
- **Built-form** (included housing models, innovative designs, construction techniques)
- **Land supply**
- **Culture and other** (included political will and integrated planning).

The categorized opportunities and barriers were then prioritized to establish which of them most directly addressed the committee’s goals and the objective set by the Land Use and Housing Committees.



PRIORITIES

- 1 Political and Administrative Will (needs to be a thread that is carried throughout the recommendations).
- 2 Built-Form: Includes secondary suites, multifamily dwellings, renovations, and reuse.
- 3 Bylaw and Design: Includes mixed use, performance-based planning, zoning, innovative construction techniques, and emphasizes that white picket fenced single family home is not entry-level housing.
- 4 Processes: embrace best practices that may improve efficiency (reduce approval times, improve the public consultation process, expedite the permitting process, and encourage and reward innovation).
- 5 Demonstration or Pilot Projects.
- 6 Integrated Planning:
 - a) On a regional basis explore opportunities to achieve some level of consistency among engineering standards, development standards and land use bylaws as examples.
 - b) Within municipalities explore opportunities to achieve cost efficiencies from cross functional reviews of development applications.

Throughout the process of identifying the priorities, clear themes emerged to provide focus for the recommendations. The advisory committee agreed that a collaborative approach was critical to achieve a paradigm shift in how we plan for growth in the next 30 years. This is fundamental and essential to the future of the Region and will require reviewing critical areas of the entire development and building process through the lens of affordability. The challenge before us is how to reduce the overall cost of the final housing product without sacrificing quality, safety or overall market appeal.

THEMES

The committee agreed that the recommendations would encompass the following themes as part of the policy framework. The themes recognize the need for:

- Municipalities to be open to considering new ideas for housing (includes administration and elected officials). They need to be open-minded to consider something different from existing land use bylaws, when there is an opportunity to consider it. Create an environment to foster change and innovation.
- Finding new and different ways to make things work, as opposed to looking for all the reasons why something cannot work. Use cross-functional approaches- fire, police, waste management, public works(snow removal, parking and transportation).
- Ongoing education is needed about what can be done and what is being done (suggested this be an ongoing role of CRB leveraging the Housing Symposium and other learning and development opportunities).
- The need to define innovation and how it can be measured.
- The creation of a champion within a municipality and charge them with working with industry to explore new ideas and approaches.
- The expectation that all Capital Region municipalities pass a motion that declares support for Market Affordable Housing.
- Municipalities are encouraged to support pilot projects.

¹Supporting reports included the following:

- Land Use Policies and Practices, April 2011.
- Reducing Red Tape: Strategies to Expedite the Permit and Review Processes, May 2011.
- A case for Increasing Flexibility through Innovative Zoning, February 2012.
- Non-Built Form/Design Methods to Increase Market-Affordable Housing in the Capital Region.
- A review of municipal plan and permitting approval processes in Edmonton, Fort Saskatchewan, Devon, St. Albert, Strathcona County, Spruce Grove, Leduc, Sturgeon County and Parkland County, April 2012.
- Purchasing Ability of Households Earning 100 - 125% of Median Income for Selected CRB Municipalities.
- City of Edmonton Efficiency Study Report.

These documents are available online at capitalregionboard.ab.ca



The committee engaged in in-depth discussions around each priority to understand the cost impact on housing, and discussed possible alternatives and approaches that would assist implementation across the Region. To support these discussions the consultants prepared several reports on best practices and experiences in other jurisdictions including the Region, the province and other parts of Canada.


While the discussions involved a considerable amount of intense debate, the committee was able to achieve a high degree of consensus on the recommendations and implementation plan. The committee acknowledged the differences that exist within the Capital Region's twenty-four member municipalities in the areas of:

- Housing policies and priorities;
- Statutory planning;
- Development approval and permitting processes;
- Land Use Bylaw provisions;
- Municipal Planning and Engineering Standards;
- Capacity within the smaller municipalities - i.e. Resources (time, money and people); and
- Political and cultural aspirations as expressed by the residents of those communities.

Notwithstanding these differences, the advisory committee values the benefits of increasing the availability of MAH in the Capital Region to:

- ▶ Provide greater housing choices;
- ▶ Increase affordability;
- ▶ Attract and retain a more diverse and inclusive population;
- ▶ Encourage innovative and creative built-forms;
- ▶ Facilitate positive community engagement and outcomes;
- ▶ Drive smart growth; and
- ▶ Support the local economy.

The committee also identified the dominance of the single-detached dwelling in the Region as the most difficult hurdle to overcome in responding to the need for more MAH. Plans to incorporate new forms of housing and at higher densities will challenge the decades-old stereotypes found in many established communities.



Industry and Municipalities, as partners and collaborators, must work together to change expectations as to what MAH is, and is not, and be able to explain how a broader range of housing types and affordability fits with long-term aspirations of the municipality.

Industry's role will be to identify innovative housing proposals that enable municipalities to achieve their long-term vision.

The advisory committee understands the challenges posed by longstanding, regulatory-based municipal policies, bylaws, programs and processes and that these are not likely to change overnight. The inherent resistance to change within municipal governments will be difficult to overcome. This report, including the ten recommendations and the implementation plan, provides a roadmap to establish the right balance between supply and demand for housing to meet the needs of a diverse and growing population.

Underpinning the recommendations is the conviction that all Capital Region municipalities need to consider a more collaborative, integrated, and sustainable way of meeting the housing needs going forward. The committee believes that municipal support, specifically political will, administrative leadership, and Industry leadership are critical to the successful implementation of this policy framework, which further supports the goals of the Growth Plan.

Municipalities, regardless of size, must be prepared to consider innovative and creative proposals that may not fit existing zoning and development standards, to allow Industry to address the vision for each municipality over the next 30 years. All stakeholders agree that the current model of residential development is not sustainable and undermines the efficient use of land and municipal infrastructure. The ultimate goal is to effectively and efficiently balance the demands of growth through integrated planning which includes choice in dwelling types, affordability, and location with access to public transit and jobs.



RECOMMENDATION

In developing the recommendations, the committee discussed regional best practices and process efficiencies and their effect on reducing housing costs. The committee reviewed a number of regional examples of municipalities already engaged with the land development/building industry in new approaches to building housing and new communities. These examples provided solid evidence of political will and administrative leadership, regulatory flexibility, and shared risk-taking. The point is that there is already a lot of good work being done in the Region that is consistent with the direction set out in the

recommendations. The biggest gains will come to the municipalities that step up and commit to embracing the recommendations and take the appropriate actions (or set of actions) to address the housing needs within their municipality.

These recommendations describe actions and expectations for all stakeholders. In aggregate the recommendations are a roadmap for effecting positive change in the Region. They address existing barriers to reducing the cost of housing, and opportunities to do something different. They represent an ask to industry and municipalities to commit to a new way

IONS

of working together to achieve a sustainable future. Industry has committed to earning the right to do business differently and is therefore prepared to share in the risks of this initiative with municipalities.

The committee believes these recommendations provide flexibility for implementation. Most importantly, committee members trust that this approach will provide tangible and visible benefits to the Region, and provides a unique way to gauge market acceptance of new ideas and built forms. Finally, committee members accept that these recommendations

will address the housing supply gap unique to each municipality. Ideally, and over time, as municipalities implement the recommendations and share their experiences, greater consistency across the Region may be achieved through the adoption of best practices.

These recommendations are intended to be descriptive, engaging and enabling, to accommodate the needs and priorities of municipalities in the Region, and, at the same time, represent an ask for a consistent approach to facilitating market affordable housing projects in the Region.





Recommendations

- 1 Political Will and Leadership**
- 2 Administrative Leadership**
- 3 Industry Leadership**
- 4 Greater Flexibility in Land Planning Regulations and Zoning**
- 5 Achieving Efficiencies in the Development Approval System**
- 6 Innovative Development Plans, Product Designs, and Built-Forms**
- 7 Alternative Infrastructure and Development Standards**
- 8 Community Engagement**
- 9 Pilot Projects**
- 10 Monitoring, Reporting, Performance Measurement and Continuous Improvement**

1 Political Will and Leadership

CRB Member Councils agree to demonstrate leadership by making Market Affordable Housing a priority and appoint a member of their Council as an Ambassador.

Our current regulatory approach to planning and development inhibits change. It is restrictive rather than permissive and encourages builders and developers to stick to ideas and methods that have successfully met the regulations in the past. Industry is reluctant to introduce innovations that they know will enmesh them in a lengthy and more costly approval process. If we hope to reverse this, it will only happen if elected officials take the lead.

The committee recommends that member Councils within the Capital Region demonstrate their commitment to MAH by developing a Vision Statement for their community, supported by a housing plan that includes increasing the supply of MAH. In addition, and critical to advancing these ideas, the committee recommends the appointment of an elected official as an Ambassador who will champion the need for MAH and the projects that will achieve this among the residents and within the municipal administration. Local residents must be clear about what the Vision entails and how it will affect communities. This may include increasing densities and adding a more diverse mix of built-forms to existing communities. The conversation needs to include the benefits to municipalities, which the committee is confident outweigh the risks.

These include:

- Attracting new businesses with access to a larger talent pool of skilled workers;
- Ensuring a stronger service sector with access to local workers;
- Retaining multi-generational families within the community, important to many new Canadian families;
- Attracting a younger population to sustain and regenerate communities; and
- Being competitively positioned to achieve long-term economic growth and prosperity.



2 **Administrative Leadership**

Municipalities agree to appoint a member of their Municipal Administration as a Champion for Market Affordable Housing.

Today, innovative and creative approaches to addressing a wide variety of development opportunities are limited or constrained by restrictive land use bylaws, zoning, development standards and a lack of community acceptance of non-traditional built-forms. Builders and developers with fresh ideas and creative dwelling options and who are willing to deliver MAH need a process that gives due consideration to their proposals.

The committee recommends that each municipality identify an Administrative Champion to work with the Council-appointed Housing Ambassador and Industry to provide a streamlined process for these MAH proposals. This entails working creatively within the existing municipal approval processes to allow for greater flexibility and the sharing of the risks and rewards from new ideas. The Administrative Champion needs to have the authority, responsibility and influence within the administration to make decisions and expedite the appropriate approvals for MAH projects. This should result in reduced costs.

3 **Industry Leadership**

Land Development and Housing Industries agree to demonstrate leadership and support for Market Affordable Housing by identifying Ambassadors and Champions willing to work with municipalities.

The land development and home building industries play an essential role in building strong communities. In terms of residential development, what gets built in a community is generally a function of government regulations, economics, standard development models and short-term, transactional thinking. To reduce business risk, the vast majority of housing products are regularly replicated, often resulting in cookie cutter subdivisions. Over the years this pattern of development has created communities that lack variety in built form and, related to this, tend to have populations lacking in diversity. For the few Industry leaders willing to try something different the road may be fraught with regulatory barriers, public resistance and a general lack of support from municipal elected officials and administration.

If sustainable, complete communities are the goal of CRB municipalities, Industry needs to be onside and willing to work with them to make the changes needed. In the same way that municipalities are being asked to support changes to the way they plan their communities and consider market affordable housing applications, the support of Industry associations is required to encourage its members to engage municipal partners in a meaningful and enterprising way. Industry must share the responsibility of communicating the need for more MAH in communities across the Capital Region to accommodate population and employment growth.



Industry leadership is also required to promote the use of new designs, construction techniques, building materials and other cost-saving innovations, if we are going to successfully address the lack of entry-level housing in our Region.



The advisory committee recommends that an Ambassador from the Industry associations be identified, as well as Champions to work with each of the 24 CRB municipalities on developing pilot projects for market affordable housing across the Region.



4

Greater Flexibility in Land Planning Regulations and Zoning

Municipalities and Industry agree to work together to review municipal planning regulations and zoning bylaws for opportunities to increase flexibility to support innovative designs and new construction techniques.

Conventional land use zoning practices can create barriers for creative development proposals. There is often little flexibility in zoning bylaws that prescribe specific land uses, lot coverage, building size and height, and location of structures. This inflexibility adds cost when innovative proposals require revisions to conform and often render a project unfeasible. In addition, the current regulations encourage standardization in design and approval processes, effectively limiting opportunities to explore new built-forms and construction techniques which are important factors to meet our goal for MAH.

To address this inflexibility, the advisory committee is recommending municipalities be open to exploring new and complementary approaches to their current land use planning regulations. This could involve consolidating the number of residential zones within the land use bylaw to enable an increased diversity of housing built forms within each zone, or the re-examination of permitted and discretionary uses within a zone to allow for a wider variety of uses. Other innovative approaches include form-based code and performance zoning.

5

Achieving Efficiencies in the Development Approval System

Municipalities and Industry agree to work together to review municipal development approval and permitting systems and practices, and benchmark with comparable municipalities to ensure they are efficient and effective when processing complete applications.

Municipal development and permitting approval processes play an important role in ensuring new or renovated developments meet health, safety, environmental, and other standards. However, lengthy or complex approval processes can add to the overall cost of the dwelling and reduce its affordability. The opportunity exists for regional

collaboration and sharing of best practices in the area of development application processing to realize greater efficiencies and thereby cost savings.

The committee recommends municipalities explore opportunities to integrate the circulation process within municipal departments for MAH developments. Better coordination and joint review procedures, involving all responsible departments within a municipal organization (e.g. Planning and Development, Engineering, Public Works, Transit, Community Services- includes Parks and Rec, Protective Services, Arts and Culture) should be built into the approval process for MAH development applications. Municipal policies and processes that expedite the review and permitting of complete applications from Industry, will reduce time, cost and, by extension, the risk of development shouldered by project proponents.

6

Innovative Development Plans, Product Designs, and Built-Forms

Municipalities and Industry agree to work together to develop innovative and creative housing development proposals to create Market Affordable Housing.

The major obstacle for new developments identified by the advisory committee is the reluctance to consider and accept proposals that achieve high-level regional and municipal goals, but do not fit within the existing municipal standards and bylaws. This reluctance is shared by politicians, administrators and the public. This uniformity of design and built-forms is a function of entrenched regulations and processes, and has conditioned residents to expect a certain type of housing to be allowed in the neighbourhood.

The advisory committee recommends municipalities and Industry work together to re-evaluate current regulations and standards governing dwelling sizes, designs and built-forms to identify opportunities for changes to accommodate new MAH proposals. This would allow planning neighbourhoods that are more walkable, use existing infrastructure, are close to public transportation, incorporate smaller, more efficient dwellings and a broad mix of densities. In short, it brings us opportunities to build MAH. Building more efficient residential developments involves leveraging new technology, that is, innovative construction techniques/designs and the use of smart materials and streamlined processes, to reduce time and cost.





A consistent 'big picture' approach will not eliminate all opposition to proposed developments, but should set a base level of expectation and acceptance for stakeholders.

If the municipalities and industry can agree on these proposals, they must encourage the public to appreciate how these new developments, including higher densities, mixed tenure housing and diverse built forms, will enhance and sustain their communities.

7 Alternative Infrastructure and Development Standards


Municipalities and Industry agree to undertake a joint review of infrastructure and development standards to identify new approaches to reduce the cost of housing, without compromising health, safety and life-cycle requirements.

Development standards are a reflection of the social, economic, technical and environmental considerations at the time they were implemented and shape the character of each municipality. As societal values change and as new technology, designs and methods become available, development standards should be revised. One way of modifying them is through Alternate Development Standards.


Alternative Development Standards (ADS) are planning and engineering standards that provide flexibility for the development and construction of communities. Some examples include (1) allowing for alternative lot standards and setbacks in residential zones, (2) alternative engineering standards for municipal roads, (3) reduced parking requirements, (4) increased density and infill provisions, (5) zoning for secondary suites, and (6) allowing alternative locations for sewer, water and utility lines, etc. These have the potential to reduce the overall cost of housing, not only the front-end construction costs but also the long-term maintenance costs borne by municipalities.

The advisory committee recommends that municipalities, in conjunction with Industry, review existing infrastructure and development standards to determine how much the current regulations contribute to the cost of housing, and seek opportunities to test new approaches that have proven successful in other jurisdictions. The intent is to look for greater efficiencies and opportunities to create a diverse range of affordable dwelling types. This review should focus on a few critical areas that contribute to the overall cost and where a measurable improvement can be made.





To build acceptance and avoid confusion, it is suggested that the term “entry level market housing” be used for all applicable market affordable housing, as a way of establishing the appropriate link to market housing in the Region.





Community Engagement

Municipalities, Industry and the Community agree to work collaboratively to develop the community engagement approach that best supports the nature of the development project.

Public input is an important part of the municipal decision-making process and an opportunity to build trust between elected officials and their public. When a municipality is considering land use changes that affect a community, the law requires a public hearing. Municipalities and private developers have both experienced community opposition and realize the value of having residents onside before the public hearing even takes place.

Building consensus for a site-specific development can be difficult for all parties. Therefore, the committee recommends that the community involvement process should begin well before specific projects are proposed. Industry and the public should understand and agree with the municipality's plan for residential growth to meet the needs set out in the Vision and housing plans. All the stakeholders must have confidence that the plan is designed to achieve the best future for the whole municipality, and does not to cater to the development industry or make unreasonable concessions to noisy NIMBYs. A consistent 'big picture' approach will not eliminate all opposition to proposed developments, but should set a base level of expectation and acceptance for stakeholders.



MAH developments should allow residents to live close to friends, family, employment opportunities and, ideally, transit. By that logic, MAH projects cannot gravitate solely to new neighbourhoods built on greenfield sites. Municipalities recognize that infill development can revitalize their mature neighbourhoods, but are also aware that specific infill projects can pose a difficult challenge to that community's expectations of what should be built. In some cases, even the best planning practices and public engagement cannot overcome opposition and NIMBY-ism.

For example, higher densities will be required to increase MAH across municipalities, and when this can be done in accordance with a municipality's vision, principles and bylaws, it should proceed. A proactive information strategy can limit the misinformation and fear that often derail a proposed development. A successful strategy will place a priority on transparency and clarity. This will include the promotion of public feedback opportunities and the inclusion of visual examples of what is proposed.

Additionally, the public is largely unfamiliar with the term "Market Affordable Housing" and there is a tendency to assume that it is "social" or "public" housing. To build acceptance and avoid confusion, it is suggested that the term "entry level market housing" be used for all applicable market affordable housing, as a way of establishing the appropriate link to market housing in the Region.

In summary, the advisory committee is recommending municipalities play an active role in advising developers of the appropriate method of community engagement for their proposals. Municipalities also need to work collaboratively with developers who bring forward quality applications to ensure that the public has a clear understanding of how the proposal supports the vision for the Municipality. Developers need to confirm that they are presenting their projects in the right context and in a manner that is clear and easy for the public to understand. These pro-active efforts will go a long way to providing meaningful and sincere engagement opportunities for the public.



Pilot Projects

Municipalities in partnership with Industry agree to support innovative and creative Pilot Projects that meet their shared vision and municipal public policy objectives.

Many organizations, both private and public, struggle to effectively drive innovation and encourage risk-taking. Even the most skilled leaders can be stymied by organizational cultures that reward short-term results, punish failure, impede collaboration, and resist change. Governments and administrations in general, tend to establish organizational processes through a regulatory approach that inhibits, rather than promotes or facilitates change. At the municipal level, the regulatory environment can make it difficult to get innovative ideas accepted and approved.

The advisory committee recommends Pilot Projects as a shortcut to break through organizational obstacles. Pilot Projects allow municipalities and Industry to test run the changes recommended in this report—e.g. more flexible zoning regulations, innovative built-forms, alternative infrastructure standards, etc.— without making permanent changes to existing regulations. This approach can be implemented quickly (avoiding long reviews of existing bylaws, standards, etc.) and has proven to be an effective catalyst in several municipalities in the Region, bringing innovation and creativity to the marketplace without placing all of the risk on one stakeholder. The methods that work and reduce costs can then be applied across the board to other MAH developments.

Municipalities and Industry must work together to ensure that MAH Pilot Projects address the broader public and community benefits of integration, sustainability, livability and innovation.





Pilot Projects provide opportunities

To experiment with innovative and creative ideas to improve affordability, and

For builders in particular, to gain invaluable feedback from consumers who have the chance to walk through and experience the final product.



10 **Monitoring, Reporting, Performance Measurement and Continuous Improvement**

Municipalities and Industry agree to maintain an ongoing dialogue to ensure the recommendations from this report are implemented, monitored and reported. All Ambassadors and Champions will participate in these discussions.

All the innovation, collaboration and pilot projects contemplated by the advisory committee need to contribute to the goal of increasing MAH in integrated and diverse communities in the Capital Region. With monitoring and public reporting on the results the exercise will be complete. That, in turn, requires performance measures so that everyone involved, from municipalities and Industry to members of the public, can see what methods and actions reduced costs, improved efficiencies and increased the stock of MAH. An evidenced-based approach using statistically valid data is essential to understand the impact of the recommendations as well as the cost and benefit of the entire undertaking to ensure that this collaborative partnership between municipalities and Industry is producing the desired results.

The advisory committee recommends a regional monitoring system to ensure consistency in terms of what and how data is collected, analyzed and reported across the Region. The relevant indicators should be included in the CRB's existing monitoring and reporting functions. This would include input from municipalities and Industry, in terms of what and how costs were reduced. The advisory committee is also recommending an annual housing planning and development forum be implemented to share the results and lessons learned as these recommendations and Pilot Projects in the Region.

²**Regional Examples of Pilot Projects** These pilot projects are examples of the proposed process described in this report and recommendations and not necessarily examples of pure market affordable (or entry level market) housing projects.

Greenbury - Spruce Grove
Center in the Park - Strathcona County
Emerald Hills - Strathcona County

Railtown - Edmonton
Legacy Point in LePerle - Edmonton



The image shows three rolls of blueprints, partially unrolled, resting on a table. The blueprints are white with blue lines and text. The rolls are arranged in a slightly overlapping manner, with the central roll being the most prominent. The background is a soft-focus view of the blueprints on the table, showing various lines, grids, and text. The overall lighting is bright and even, highlighting the texture of the paper and the depth of the blue ink.

IMPLEMENT

The committee realizes that some municipalities have already moved in this direction and have reaped the benefits of establishing a level of trust and a closer working relationship with the land development and home building industries. For most municipalities, however, some or all of these recommendations may be new territory.

To assist all stakeholders to better understand what is involved with implementation, the committee has developed an “Integrated Road Map” that describes how best to approach moving forward on the recommendations. The intent here is to establish a consistent framework across the municipalities in a few key areas and then leave the rest up to municipalities and Industry to work through over time or based on specific projects.

IMPLEMENTATION PLAN

Implementation Priorities

- 1** Establish a Housing Vision and Strategy
- 2** Identify Ambassadors and Champions
- 3** Implement Pilot Projects
- 4** Ongoing Education and Development

Critical Success Factors

- 1** Leadership
- 2** Flexibility
- 3** Efficiencies and Effectiveness
- 4** Product Innovation
- 5** Public Communication and Engagement

Implementation Priorities:

The following four steps have been identified by the advisory committee as implementation priorities for the first year:

1 Establish a Housing Vision and Strategy- Establish a Housing Vision for your municipality that describes the type of community you aspire to become: one that includes **MAH** and is consistent with the Capital Region Growth Plan. It should explain in clear and specific terms how the municipality intends to respond to current housing gaps and manage future growth. This may include expanding the diversity of housing types and densities within existing and new neighbourhoods. As such, the development of the Vision and Strategy should involve residents, employers/businesses and the development/building community. The outcomes of those discussions should be shared with community members to ensure that they understand and support the municipality's strategy. The Housing Vision and Strategy should be included in a Housing Plan, and also reflected in statutory plans and bylaws.

2 Identify Ambassadors and Champions- This may be the single most important element of the plan; to create a specific role within municipalities that represents an entry point for land developers and home builders to present new market affordable housing projects. Through the identification of an elected official as a Housing Ambassador, and a member of municipal Administration

as a Housing Champion, municipalities establish a consistent process in which to receive development proposals and consider them based on their potential to realize the Municipal Housing Vision with a specific emphasis on MAH. Ambassadors and Champions will liaise between Industry and their municipal organization to ensure that creative housing proposals, even if inconsistent with existing regulations, are seriously considered within a flexible and permissive environment. Passionate, committed advocates, both elected and administrative, will change the dynamic of how plans are received and processed. They will be the catalysts, providing leadership and the will required to move this initiative forward.

Another key role for administrative Champions will be to facilitate the approval of market affordable housing applications which could reduce processing times, and provide reasonable flexibility for MAH projects that will contribute to overarching municipal goals. Again, the purpose is to reduce the cost of housing that is built to a modest standard, to create a streamlined, efficient and more permissive regulatory system. Industry's role is to ensure their applications are organized and complete. Bylaws and administrative procedures may eventually be revised if this flexible approach produces efficiencies and positive outcomes. Municipalities and Industry are being asked to identify their Ambassadors and Champions within 60 days of the approval of this report.

3 **Implement Pilot Projects-**

What makes the recommendations contained in this report different from other housing initiatives in the Region is the identification of Champions and Ambassadors coupled with promotion of Pilot projects. Pilot Projects in this context are intended to be a flexible and low risk way to test everything from policy changes to innovative built forms incorporating new construction techniques and state-of-the-art building materials, and an effective way of gaining public acceptance. Pilot Projects have been successfully implemented in several Capital Region municipalities and the advisory committee considers them an effective way to manage risk and monitor the effects of innovations by experimenting on a limited scale. Pilot projects also provide great learning's and opportunities for sharing best practices.

4 **Ongoing Education and Development-**

Actively sharing lessons learned across municipal and organizational boundaries will promote consistency and efficiency throughout the Region. While recognizing that municipalities have unique needs and cultures, there are successful innovations that may be adaptable to other communities and should be considered by the whole region. Municipalities and Industry agree to meet together at least once a year as part of a regional planning and development forum to:

- a. Report on the progress being made towards the recommendations and their effect on market affordable

housing units. This includes sharing the impact of their cost saving measures, reporting on market information – trends, gaps, price levels;

- b. Identify and lead discussions on topics of regional interest and opportunities to improve the effectiveness and efficiency in achieving the Region's housing goals. This annual regional planning and development forum is intended to provide an opportunity for learning and development across for municipal administrations, elected officials and Industry and economic development organizations. Involving a wide range of topics and best practices from municipal planning, development and engineering standards, policy and processes, innovative built forms based on experiences from across the Region and elsewhere.

Lastly, the committee believes there are cost savings in some areas of infrastructure standards that should be considered, and encourages municipalities to work with Industry to explore those areas with the greatest potential for savings, over the next 1- 3 years .

The committee hopes these few implementation priorities will be accepted by municipalities as being realistic, flexible and achievable. This approach respects the uniqueness of each municipality and provides sufficient flexibility needed to offer a complete range of housing within each municipality.



CRITICAL SUCCESS FACTORS

The success of the implementation of this policy framework depends on the level of commitment from all stakeholders to the following:

- 1 Leadership** - This is the foundational theme for this initiative. Achieving the goal will require strong leadership on every front: politicians, administrators, builders and developers, and among the public. If people in each of these areas are willing to explore new ways to achieve a mix of housing types, densities and range of affordability, we will achieve the Region's goal of long-term sustainability.
- 2 Flexibility** - This does not mean abandoning all principles or legislative and regulatory requirements. Flexibility means being adaptable and open to new ideas, alternative ways of doing things to achieve the goal of increasing the supply of Market Affordable Housing. Working collaboratively with others to remove obstacles and barriers that can add to the cost of housing without compromising safety, efficiency and sustainability is essential. This too applies to all the stakeholders.
- 3 Efficiencies and Effectiveness** -Municipal administrations process applications for development permits and rezoning. These often require significant time, and in some cases add cost, to a project. Administrators are being asked to work with builders and developers to review and streamline these processes so that greater efficiencies and shorter timelines can help optimize the end cost to the buyer. At the same time, this also applies to home builders. They also need to review their processes and building practices to ensure they are as streamlined as possible by implementing lean business/ construction methods to reduce costs. This also includes minimizing waste.

4 Product Innovation -What we are talking about is change. Ideas from the 1970s still dominate the home building industry. These must be re-evaluated in the context of the types of communities we need for future generations. Builders and developers need to show leadership by exploring new ways of building; incorporating new materials and designs into their projects. It might mean adapting what has been a winning formula in past developments if increased efficiencies and lower costs can be achieved with new methods. Municipalities also have a role in ensuring that new projects which contribute to their sustainability are enabled through the right amount of regulatory flexibility. Willingness on the part of municipalities to consider new ideas is required for new product ideas to be market tested.

5 Public Communication and Engagement - Too often local residents hear about a new development after most of the planning and design have been completed. This can lead to resentment, backlash, and political headaches. We believe that politicians and developers need to be pro-active. Instead of responding to complaints about a specific already approved projects, elected officials and developers should, through proactive neighbourhood planning in advance of those projects, promote the idea that building Market Affordable Housing is an opportunity for the community to attract new people and families who will expand the economic base. New residents, especially young families, can significantly increase the viability and vitality of communities in rural areas and those with a large proportion of seniors. If residents and community leaders embrace the idea, they will be more supportive of new developments that come forward.



FUTURE WORK



The development of a Market Affordable Policy framework and implementation plan was challenging and complex due to the differing interests around the table. As previously stated, the long list of issues at the core of these discussions has evolved over time and some of these have eluded resolution. Another key challenge was to achieve workable recommendations to fit the different-sized Capital Region municipalities in both urban and rural settings. With this level of complexity the advisory committee did not go into detailed technical discussion on the key policy areas, nor was it within their mandate to do so. As a result, there were a number of important issues not fully addressed in the report that the committee believes will help to advance this work.

The committee recommends that the CRB provide support to address the following issues in collaboration with municipalities:

- Support changes to the Municipal Government Act (MGA) to increase flexibility in the regulatory approval process;
- Support changes to improving the public engagement process, for increased flexibility, and notification period to invite community input, as part of the MGA review;
- Explore options to make construction of rental housing more attractive and economical;
- Explore opportunities to achieve consistency across the Region in land use bylaws and development and engineering standards; and
- Explore approaches to supporting smaller municipalities meet their housing gaps.

Not all of the actions or ideas included in this report were described in complete detail. Subsequent to this report's approval by the CRB, additional work will be required to further define the implementation of pilot projects, the process of planning and determining how items such as the annual regional planning and development forum and the monitoring and reporting indicators will be established, funded and carried out within the approved practices of the CRB. Additional work will also be required to coordinate the support of Industry Associations in identifying Ambassadors and Champions.

Finally, in addition to overseeing the implementation of Recommendation #10: Monitoring, Reporting and Continuous Improvement; the CRB will be responsible to ensure the ongoing engagement of Industry continues and will facilitate municipal support for pilot projects and provide ongoing education for Ambassadors and Champions.



CONCLUSION

Municipalities within the Capital Region are on the cusp of another economic boom. We have learned from past experience that a lack of advanced strategic planning makes meeting the demands of a rapidly growing population an inefficient and chaotic process. Now we have the opportunity to prepare for growth in the Region knowing how important a range of affordable housing is to those making important life decisions like taking a job, and being able to move and deciding to stay for the long term.

By establishing the Growth Plan's priorities for the CRB, the Government of Alberta identified the need to increase the supply of market affordable housing in the Capital Region to support future growth and economic prosperity. The housing gap in built-form and affordability was confirmed through the development of a comprehensive Capital Region Housing Plan that includes a detailed housing supply analysis for each municipality and draws attention to the consequences of an imbalanced housing stock. The need for a policy framework that would establish a balanced market-driven housing environment, not constrained by an outdated regulatory environment, was the goal of the CRB Housing and Land Use Committees.

By approving the Growth Plan, Board members agreed that Market Affordable Housing needs to be a priority, since most newcomers to the Region will look for modestly-priced, entry-level housing, which is currently in short supply. To respond to this housing gap, and to ensure all municipalities have a full range of market housing will require creative partnerships between municipalities and the land development and home building industries. These partnerships will need to work together in new and creative ways to introduce innovative housing products that are market affordable due to cost-effective construction techniques and designs.

The recommendations and implementation plan produced by the advisory committee describes a new relationship, and 'rules of engagement'

between municipalities and Industry that they believe, when implemented, will allow the Capital Region to meet its goal of increasing the number, density and diversity of MAH units in each of the 24 member municipalities.

A common theme throughout this report calls for all stakeholders to embrace a new development pattern that supports housing choice and diversity, and a commitment to the idea that a vibrant and sustainable community includes people of all ages, income levels, household types and the homes and services to meet their needs. Elected officials in particular must be the catalysts if this initiative is to succeed. Their passion and support will spark the interest and enthusiasm of their community members and signal to Industry their support for market affordable housing. Elected officials will set the tone for their local administrations and establish expectations for what they see as being required from Industry. This process starts with building relationships of trust, and expecting collaboration and partnerships.

We have the plan, we have the people, and we have the skills. If we muster the will and the collaborative spirit we will ensure that Capital Region municipalities are ready to welcome all who come seeking more than jobs or lodging; individuals and families wanting to put down roots, invest in their community, and make this Region their home to live, work and play for years to come.



If all stakeholders do their part,
municipalities in the Capital Region
will be winners.





capital region board
regional action. global opportunity.

capitalregionboard.ab.ca