



## INTRODUCTION

In addition to creating more liveable communities, the development and maintenance of affordable and diverse forms of community housing increases personal health and safety and can help attract a qualified workforce. Generally, housing is considered unaffordable when a household earning 80% or less of the County's median income (i.e. \$144,000 or less) is spending more than 1/3 of their gross income on modest housing. Households are considered in "core housing need" if they are spending more than 50% of their gross income on housing. Housing choice means that people can choose to rent or buy, can choose homes that are visitable and accessible for people with mobility challenges, and offer options for people in all stages of their lives.

## WHAT DOES THE 2007 MDP SAY?

Chapters 5 and 12 of the 2007 Municipal Development Plan contain policies related to housing choices, housing affordability, and the provision of special needs housing and supportive housing. The current MDP commits the County to:

- Support and encourage the creation of housing suited to people with special needs.
- Allow density bonusing for multi-unit developments, to support affordable, rental, seniors, or special needs housing in the urban area or hamlets.
- Consider using municipal land banking as an option for social housing.
- Work with industry and senior levels of government to support social housing.
- Encourage supportive housing forms, such as spectrum-of-care and adult and child daycare in all areas of the community.
- Promote urban villages, so that residents have more housing choices within their existing community as their needs change.
- Support innovation and flexibility in housing design, such as allowing secondary suites and garden suites in appropriate areas. Currently secondary suites are allowed within specified land use districts.

## ISSUES RAISED DURING THE MDP ENGAGEMENT PROCESS

During Phase 1 of MDP public/stakeholder consultation process we heard that many people want to be able to stay in their community or neighbourhood as they get older and they want more affordable entry-level housing options for young people/families. This need was especially noted in the rural hamlets and country residential areas within the County where housing choice is currently very limited.

We also heard that seniors housing within Strathcona County should provide a variety of options for seniors, from independent living, supportive housing, and assisted living to residential care and hospice.

## POTENTIAL POLICY OPTIONS

*This section introduces some potential new policy options and expands on others already included in the MDP. These policy options can help the Municipality (and partners) to deliver the type of housing described above. These options are intended to promote discussion about the best options for Strathcona County and may eventually guide new or refined MDP policy and land use bylaw changes.*

### 1. Encouraging smaller, modestly-priced market housing

One of the simplest policy options to encourage new affordable market housing is for Strathcona County to introduce MDP policies and zoning changes that require more compact forms of housing such as multi-unit development and smaller homes on smaller lots for proposed new developments/subdivisions.

#### *Policy Change Options*

The policy options with respect to more compact housing forms may involve:

- The County can require a specific mix of housing types and lot sizes as part of the MDP and Council has the authority to reject an Area Structure Plan (ASP) if it does not conform to such a policy.
- The Municipality may go further and require that these specific housing types be built in a particular phase of development. For example, it may require a certain percentage of lots that enable the development of suites. Market housing should be informed by the Sub-Regional Housing Needs Assessment and other applicable data and studies. By building at a higher density a greater variety of housing can be provided that can accommodate people as they age and their needs change.

### 2. Inclusionary Zoning

Inclusionary zoning refers to zoning (land use bylaw) regulations that require affordable housing (market and/or non-market) in new developments. At the present time, the Alberta Municipal Government Act (MGA) does not provide for Inclusionary Zoning but the provincial government is considering amending the MGA to allow municipalities to adopt this tool. Therefore, this policy option would only be applicable if such changes were made to the Alberta legislation.

#### *Policy Options*

The policy options with respect to inclusionary zoning may involve:

- Requiring a percentage of the developed units (10-20 percent), or a specific number and type of units in a given project be 'affordable' with that term clearly defined in policy. In some jurisdictions where inclusionary zoning is allowed, local governments permit off-site construction of the affordable units, while others allow developers to pay cash-in-lieu into a housing fund which it then uses to build housing or provides to a partner such as an affordable housing provider. Local government usually secures the commitment to building the affordable units at the time of rezoning.
- Inclusionary zoning provisions could be set out in the MDP as a policy for rezonings, or embedded in a specific land use bylaw regulation. Inclusionary zoning could apply to new residential development in all areas of the County or applied to specific locations where affordable housing is most needed.

### 3. Density Bonusing

Density bonusing is a set of zoning (land use bylaw) provisions that allows a landowner to develop land at a higher density (than would otherwise be allowed) in return for specific community amenities which can include affordable housing. The idea is that by allowing this additional density, affordable housing can be provided at no additional cost to the developer or the Municipality. However, neighbours often resist such changes as they perceive the additional density and/or the affordable housing as undesirable in their locale.

The Municipality establishes a zone with a “base density” also known as “as of right” density for the zone and a higher “bonus density”. If the developer wants to build at the higher density they can only do so if the prescribed number and cost of affordable homes are included. To work properly, the base density needs to be lower than developers typically want to build and the bonus density needs to be high enough to warrant the additional expenditure of providing the affordable housing.

#### *Policy Options*

The policy options with respect to density bonusing may involve:

- Establishing base and “bonus” densities in specific land use zones.
- Establishing locations where affordable housing is desired and additional density is considered appropriate (see Section 4 below).
- Specifying the requirement for developing affordable housing in order to achieve the bonus density.
- Requiring a Housing Agreement to be in place with any developer proposing re-zoning for affordable housing (see Section 8 below).

### 4. Re-Zoning for Affordable Housing

The Municipality can encourage both for-profit and not for profit developers to create affordable housing projects by allowing re-zoning of specific parcels (or types) of land **only** if developed specifically for affordable housing. By being clear that re-zoning will only be entertained for affordable housing, the Municipality keeps the value/cost of the land low and therefore allows a lower land cost per unit.

#### *Policy Options*

The policy options with respect to rezoning for affordable housing may involve:

- Including a policy in the MDP that specifies where and/or under what circumstances the County would approve a re-zoning for affordable housing
- Requiring a Housing Agreement to be in place with any developer proposing re-zoning for affordable housing (see Section 8 below).

### 5. Incentives

The Municipality can help to reduce the cost of developing community housing by expediting approvals, reducing application fees, or reducing amenity requirements for affordable housing.

#### *Policy Change Options*

The policy options with respect to incentives for affordable housing may involve:

- Specifying the circumstances under which incentives would apply to the development of affordable housing.
- Requiring a Housing Agreement for any units developed under this policy (see Section 8 below).

## 6. Working with Housing Providers

Unless the Municipality is going to develop housing on its own, it will likely rely on housing providers. These can be for-profit or not-for-profit organizations that could include housing associations, religious organizations, private developers and others. The Municipality can assist these housing providers by clarifying requirements early on, and possibly providing land and other resources (e.g. money from cash-in-lieu contributions) to enable the housing to be developed at below market cost.

### *Policy Options*

The policy options with respect to housing providers may involve:

- Specifying how the County will work with other housing providers to develop affordable housing.

## 7. Secondary Suites and Garden Suites

The Strathcona County Land Use Bylaw enables the development of Secondary Suites and Garden Suites within a number of zoning districts. **Secondary Suites** are a self-contained dwelling units located within a single detached house; **Garden Suites** are on the same lot as the single detached house but are either a separate one storey suite or a suite above or to the rear of an accessory building, such as a garage.

One of the simplest and most common ways to increase the supply of affordable rental housing is to encourage these types of suites. The MDP could include clear policy direction that creates incentive for their development.

### *Policy Options*

The policy options with respect to suites may involve:

- Amending the MDP with a policy to support suites in appropriate urban neighbourhoods/hamlets where adequate servicing is in place.
- Developing a package of education/incentives to encourage homeowners to create suites (e.g. no additional parking requirements, enabling external changes to building in existing housing stock to accommodate a suite or bring an existing suite up to Building Code standards).

## 8. Housing Agreements

With many of the options above, it is important that the cost savings created by the Municipality translate into a permanent lower (rental or purchase) price for housing and do not just result in more profit for the developer or a windfall profit for the homeowner when they sell. Therefore, the Municipality should enter into a Housing Agreement with developers of affordable housing and any organization that manages such housing stock. The agreement would specify the type and price of housing to be delivered and control the re-selling price/rental cost of the housing. The agreement may also specify the eligibility of occupants including the type and income level of owners/tenants as well as how any payment defaults may be handled.