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February 27, 2024

Executive Committee
City of Edmonton
1 Sir Winston Churchill Square
Edmonton, AB T5J 4R7

Re: City Plan Measurements – Update on Targets – Item 7.2

Dear Executive Committee and Members of Edmonton City Council,

The Urban Development Institute – Edmonton Metro (UDI-EM) represents 180+ member companies that contribute to economic growth through millions of dollars in investment, job creation, and improvements to the built environment. Our association has been heavily involved in The City Plan since its inception as a new policy initiative in 2018. To support the plan's successful adoption at City Council in 2020, Council and Administration leveraged the expertise of the industry through a range of engagement activities and continue to do so with many other planning initiatives like the Zoning Bylaw Renewal and District Planning. We are committed as your city building partners to sharing our insights on the barriers and opportunities related to policy and their implications on achieving our shared goals of providing housing and shelter and in building great spaces and places across the city.

We are heartened to see that the first report on The City Plan's performance targets is being published in 2024. Measurement is a critical component of a plan as this provides accountability, transparency, and shared expectations for all stakeholders involved in and committed to implementing The City Plan, whether it is residents, industry, or businesses.

Despite The City Plan having been in effect for over three years with approved targets in place, there are additional criteria and methodology that have not yet been developed and are important to assessing the plan's effectiveness. We encourage City Council and Administration to prioritize the completion of this work in the near term. Further, it is surprising to see how city policy is potentially being altered in a report presented for information. For example, the innovation corridor depicted in The City Plan seems to have been removed as a concept for both monitoring and evaluation as well as implementation purposes. This policy change, and any others

that might emerge over time, might be better considered through a formal policy review rather than through a report on City Plan measurements.

We are writing to you to also **flag a concern with how Administration has changed the way housing affordability is being considered**. When the City Plan was being prepared the CMHC definition was used to calculate expected performance (i.e., household expenditures on housing relative to household income). Since then, it would appear that a different methodology has been employed, which creates confusion and lack of clarity for all stakeholders. The approach to measure housing affordability based on relative household expenditures rather than as a factor of net household income diverges from general accepted practices and the way the target was first conceived when The City Plan was developed. We have not previously seen housing affordability depicted as a percentage of household expenditures in this manner and are unclear as to what background research would have supported this change. The [CMHC definition](#) is as follows:

In Canada, housing is considered “affordable” if it costs less than 30% of a household’s before-tax income. Many people think the term “affordable housing” refers only to rental housing that is subsidized by the government.

Focusing on housing cost as a proportion of all household expenditures rather than as a percentage of net income is highly unusual. As housing affordability is a national concern, using shared metrics aids in better understanding how our city compares with others across the country. Affordability has commonly been a metric used to define someone’s purchasing power (vs. income), not their purchasing decisions (vs. expenses). This divergence is not just academic. The CMHC definition is used for major funding and financing initiatives, including the [MLI Select program](#) which is deployed by builders and developers across the country with preferable financing to support the creation of affordable housing units. We believe the way the target is measured should be consistent with how The City Plan target was initially established and with alignment across other jurisdictions. If this is not the case, we would request further discussion with housing providers and the real estate sector.

While we appreciate the work that has gone into this report, from our perspective it is not yet complete. We recommend that this work be updated to fully address all City Plan targets and to maintain consistent methodology, or where that is not possible, to provide a clear rationale as to what has changed and what the impact will be in consultation with all impacted stakeholders.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kalen Anderson', with a stylized, flowing script.

Kalen Anderson, RPP/MCIP
Chief Executive Officer, UDI-EM

Copy: Patrick Shaver, Chair, UDI-EM Funding & Finance Committee
Office of the City Clerk
Kim Petrin, Deputy City Manager of Urban Planning and Economy
Kent Snyder, Branch Manager of Planning and Environment Services