

ENHANCING HOUSING AFFORDABILITY IN OKOTOKS

Issue

A report regarding what has been done, what is being done, and what can be done to help enhance housing affordability in Okotoks is provided to Council for information.

Motion Proposed by Administration

That the Enhancing Housing Affordability in Okotoks report be received as information.

Report, Analysis and Financial Implications

RESTORING THE SUPPLY-DEMAND BALANCE

Understanding Housing Affordability Influences

At a basic level housing affordability is driven by the interplay between supply and demand. Across the country, many municipalities are experiencing significant imbalances, whereby housing supply has not kept pace with the rapid increase in demand. This has caused sharp increases in housing prices that have far exceeded wage growth.

Several factors, both historic and current, have contributed to the existing supply-demand imbalance in housing. This report focuses on current conditions, highlighting the factors that the Town can control, as well as those outside our control that significantly influence our ability to improve the situation.

Understanding Okotoks' Sphere of Influence

Local governments have a greater ability to influence housing supply than demand. Though municipalities can influence demand by enhancing community desirability, we have little control over regional, provincial and national population growth, employment trends, interest rates and tax measures. The Town's ability to influence housing affordability is greater on the supply side of the equation and requires collaboration with all levels of government.

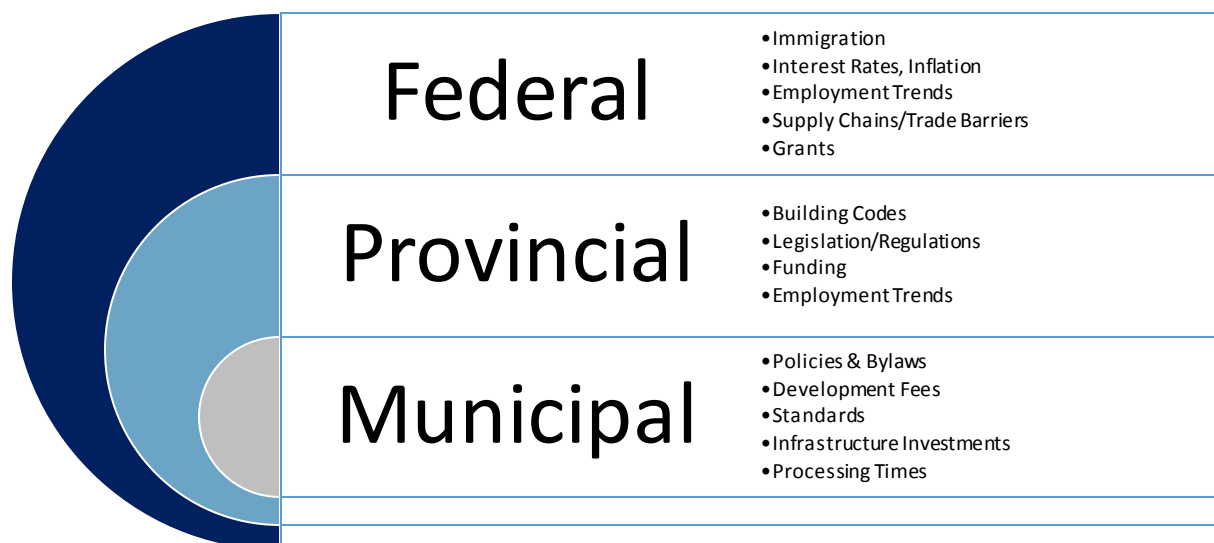


Figure 1: Spheres of Influence on Housing

Municipalities can influence housing supply through local policies, processes, infrastructure investments and development fees. This occurs largely through the development process, including decisions to open up land for development through annexation, growth policies and strategic infrastructure investments. In Alberta, this authority to influence housing supply is granted through the *Municipal Government Act* and its regulations.

Additionally, there are several federal and provincial acts and regulations that can impact local land development. Examples include: the Safety Codes Act, Alberta Edition of the National Building Code, Historic Resources Act, Environmental Protection and Enhancement Act, Water Act, Aeronautics Act, and the Radio Communications Act.

Understanding the Current Narrative

A growing narrative from the federal government and industry positions municipalities as key barriers to unlocking housing supply. Federal funding programs, particularly for transit and infrastructure, are increasingly tied to municipal commitments to ease zoning regulations and reduce development charges.

However, this perspective is largely shaped by the challenges faced in large urban centres like Toronto and Vancouver. It overlooks the diversity of municipal contexts and the progress many communities have made to support housing development. While municipalities do play a critical role in addressing the housing crisis, this narrative often fails to recognize the proactive steps already taken by many local governments.

The Canada Home Builders' Association's 2024 National Municipal Benchmarking Study reinforces this one-size-fits-all view by comparing approval timelines and fees across 23 municipalities. This study does not reflect the wide variation in local processes and legislative frameworks, nor does it analyze fees and timelines in smaller municipalities such as Okotoks. Despite these shortcomings, the report contributes to an oversimplified and blanket portrayal of municipalities as obstacles to housing supply.

How does Okotoks Differ from the Current Narrative?

Okotoks provides a noteworthy contrast to this generalized narrative. While the most acute housing challenges are concentrated in Ontario and British Columbia, Okotoks has taken a progressive, nimble, and development-friendly approach to growth. Unlike larger cities with complex regulatory systems and high development fees, Okotoks benefits from lower fees and straight forward approval processes that enhance development certainty.

As shown in Table 2, Okotoks has advanced several initiatives to improve housing affordability including a suite of policies aimed at simplifying approvals, encouraging diverse housing types, and managing growth sustainably. This has allowed Okotoks to respond more effectively to housing needs and demonstrates how smaller municipalities can lead by example, supporting housing supply through a flexible and responsive policy environment.

In addition to a flexible and permissive policy environment, Okotoks has substantially lower development fees compared to those highlighted in the National Municipal Benchmarking Study. It is difficult to replicate the fee calculations in this study as the methodology is vague, and the calculation and application of fees differs greatly across municipalities.

Table 1 provides a generalized, order of magnitude comparison of per unit development charges collected from developers to fund off-site infrastructure. In Alberta, these fees are referred to as off-site levies and are typically collected at the time of subdivision on a per hectare basis. In Ontario and British Columbia, these fees are referred to as development charges and are collected at the building permit stage. For Okotoks, the 2025 per hectare off-site levy rate was calculated for the entire Tillotson neighbourhood area and was divided by the total anticipated residential units to arrive at a per unit cost.

Planning approval fees are complex and vary significantly between municipalities, making direct comparisons difficult. To address this, Table 1 includes a rough comparison of select planning application fees for residential development across municipalities central to the current discussion. The challenge in preparing this imperfect comparison highlights the limitations of making broad assumptions about municipal fees and land development processes.

Table 1: Development Charge and Planning Application Fees for Single & Semi-Detached Units, July 2025

	Okotoks	Ottawa	Toronto	Vancouver
OSL/Development Charges	<u>\$13,777*</u>	<u>\$56,399**</u>	<u>\$143,409***</u>	<u>\$41,635****</u>
Zoning Bylaw Amendment	\$5500	\$17,714 to \$33,431	\$51,154+ \$9.26/m ² for buildings over 500m ²	Min \$61,450 Max \$245,900
Subdivision Application	\$2750 or \$275/lot whichever is greater	1-40 units (\$67,912) 41-250 units (\$120,524) 251+ units (\$146,473)	\$70,482+ \$3,532 per lot	\$166,800 for a 2.5-10 acre area

*Based on gross development area of Tillotson neighbourhood and units at full build out, using 2025 OSL rates

**Fees inside the greenbelt

***Fees have been frozen at June 2024 levels

****Includes [Community Amenity Charge](#) of \$123.65/m² payable at rezoning. Fees calculated for a 2000 sq. ft home; development charge rates are 2x higher for medium density and 3.5 times higher for high density

Understanding Okotoks' Accomplishments and Ongoing Initiatives

Table 2 outlines Okotoks progress and ongoing work to create a development environment conducive to enhancing housing supply and affordability.

Table 2: Okotoks Housing Initiatives since 2021

Year	Initiatives and Developments
2021	Adopted Housing Friendly Policies
	New Municipal Development Plan
	- Increased density from 8 to 12 units per acre
	- 40% of new housing required to be multi-unit
	- Policies to increase below-market affordable housing for low-income households and enhance housing diversity
	New Land Use Bylaw
	- Reduced residential districts from nine (9) to two (2)
	- Housing of any type permitted
	- Enabled 4 units as-of-right (base zoning allows up to four (4) units on a parcel)
	- Eliminated minimum parking requirements
	- Eliminated requirement for development permit for secondary suites (in most cases)

	Implemented Grant Programs
	Secondary Suite and Accessory Dwelling Unit Grant Program
	- \$10,000 per new suite
	- At end of 2023: 21 suites completed, 9 underway, 7 on the waitlist
	Below Market Housing Incentive Grant Program
	- \$15,000 per door
2022	- Leveraged municipal investment to secure provincial grant funding and CMHC financing for a 10 unit below market rental project
	Infrastructure to Support Housing Development
	- Significant efforts to advance water pipeline development (ongoing)
	- Lifecycle replacement and capacity upgrades at Wastewater Treatment Plant
	Okotoks Family Resource Centre Database
	- New database to collect information on client needs
2023	- Tracks trends related to housing availability, risk of homelessness
	Staff Resource Added to Implement Strategy
	D'Arcy Affordable Housing Site
	- Completed site servicing for shovel ready projects
	- Contributed an additional \$1.0M to off-set site servicing costs and support grant applications
	- Construction of 32 market rental units commenced, completed in 2024
	- Partners submitted grant applications for Federal and Provincial funding
	Housing Database Development
	- Working database to track housing inventory and trends to supplement housing needs assessments.
	Home Sharing
2024	- Partnered with Happipad, a Canadian non-profit home-sharing organization, to launch a home-sharing program in Okotoks.
	Municipal Housing Corporation
	- Feasibility study completed. Identified key conditions needed to establish a municipally controlled corporation to develop below market housing, leveraging Town assets. Will revisit as key conditions are met.
	Housing Needs Assessment
	- Completed updated housing needs assessment, meeting provincial and federal requirements for housing, transit and infrastructure funding
	Advocacy
	- Meeting with Alberta Minister of Seniors, Community and Social Services, local MLA, and Westwinds Board chair to discuss funding requests for projects at D'Arcy Affordable Housing Site

	-Grand opening event for Westwinds Drake Landing Townhome project
	-Meetings, letters to Federal MP's advocating for equitable funding for municipalities not eligible for HAF funding
	Infrastructure to Support Housing Development
	-invested significant capital in construction of a new 27km pipeline to the Bow River west of Calgary at the confluence with the Highwood River
	-purchased additional license to draw water off the Sheep River (currently closed to new licenses)
	-added additional horizontal well to add capacity from the Sheep River
	-reassessed water allocation policy and risk matrix to enable additional capacity from the limited Sheep River (closed to new licenses)
	Affordable Housing Incentive Program
	-Replaced the Below Market Housing Incentive Program to offer additional capital incentives and permit fee waivers for eligible affordable housing projects
	Process Improvements
	-Completing reviews of planning, engineering and building permit processes to complement flexible policy environment
2025	Housing Reserve Fund
	-Report to Council confirms a dedicated housing reserve fund is not required, as the Town's large flexible general reserves are sufficient to fund housing initiatives
	Infrastructure to Support Housing Development
	-Applied for \$62M from the Canada Housing Infrastructure Fund to advance three water infrastructure projects to unlock housing supply
	-Received \$5M in provincial funding through the Local Growth and Sustainability Grant (LGSG) for deep utility and road infrastructure work as part of the River's Edge Development Project.
	-Significant progress made on regional water pipeline project, on track for 2026 completion
	-Collaborative discussions with industry to update Off-Site Levy bylaw to support continued growth and fiscal sustainability
	Advocacy
	-Advocacy strategy developed, key messaging to federal and provincial audiences
	D'Arcy Affordable Housing Site
	-Westwinds commences construction of 10-unit townhouse project at 200 – 31 Sage Way
	-Westwinds secures \$3.3M in funding from the Affordable Housing Partnership Program for a 40-unit apartment building at 300 – 31 Sage Way
	-Council selects proposal to develop a 68-unit mixed market project at 100 – 31 Sage Way
	Process Improvements
	-Comprehensive review of administrative service delivery, fees and timelines for municipal planning, engineering and building processes that affect land development
	Land
	-Analysis of affordable housing opportunities on existing land and potential future acquisitions

Strategic Plan Goals

<input checked="" type="checkbox"/>	Responsibly Managed Growth	<input type="checkbox"/>	Demonstrated Environmental Leadership
<input type="checkbox"/>	Strong Local Economy		
<input checked="" type="checkbox"/>	Organizational Excellence	<input checked="" type="checkbox"/>	Enhanced Culture & Community Health

Equity/Diversity/Inclusivity Impacts and Strategy

Housing is a universal and basic human need and a key determinant of health and well-being. Efforts by all levels of government to improve housing supply, diversity and affordability ensure that all residents have access to housing that meets their unique needs.

Environmental Impacts

Enhancing the diversity and affordability of housing in Okotoks serves to increase opportunities for Okotoks' workforce to also live in the community, thereby reducing commutes and contributing to a reduction in greenhouse gas emissions. Streamlining policies and processes to support diverse housing, including multi-unit construction, promotes more efficient use of land and reduces sprawl.

Community Engagement Strategy

n/a

Alternatives for Consideration

n/a

CAO Comments

There is much conversation about how municipalities are huge barriers to housing affordability. This report highlights what is happening in Okotoks, and provides a chronology of what has been done to improve affordability.

Attachment(s)

n/a

Prepared by:
Michelle Grenwich
Social Planner
July 15, 2025