Housing Governance Models

October 2019

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INTRODUCTION

This report explores housing governance models in Alberta and municipal strategies across Canada. An evaluation of these methods will be utilized to recommend a model for future non-market housing planning and development appropriate for St. Albert.

St. Albert's demographics indicate a trend towards a higher ratio of older households, and fewer households in the 25 – 44 age range. New housing demand is directly linked to household formation[1], with new households providing the City with the greatest opportunity for future growth. Millennials (ages 22 – 37) are renting for longer periods than previous generations, but also represent the biggest market potential for future home purchases. Housing choices will be required to reflect Millennials changing needs, both in tenure and housing form (apartments, townhomes, single-detached). Millennials, like all other age groups, are more likely to remain in St. Albert if there is housing supply that meets their needs.

Existing residents may choose to remain in their family home as they age, or they may seek alternative housing choices that would enable them to age in the right place as their abilities change, while living on a fixed pension. Specialized populations may require temporary or on-going supportive services to enable them to retain housing stability. Households earning low to moderate incomes working in service sector jobs struggle to find housing that is affordable for incomes earned.

St. Albert cannot meet these demands on its own. There is not a "one size fits all" approach that would address the entire housing spectrum and affordability levels (refer to Figure 1). The City must leverage its resources and partnership options with other levels of government, the private sector, and not-for-profit sector to achieve an effective result through a diversified approach. While the City's priority is to ensure that everyone has a place to live, the housing solution must reflect the varying needs.

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[1] Households formed as a result of moving out of the family home, marrying, living common law, having children, separating, or divorcing. Canada Mortgage and Housing Corporation, Housing Observer 2011.

Figure 1 - The Housing Spectrum

	Housing Options for Vulnerable Populations (Project Plan 5.4)		Housing Options for Affordability and Accessibility (Project Plan 5.3)				
	NON-MARKET HOUSING					MARKET HOUSING	
Type	**Emergency and Transitional Housing** Homelessness, family violence, risk of homelessness	**Permanent Supportive Housing** Housing with supportive services to address	**Social or Subsidized** (deep subsidies or Rent Geared to Income (RGI) supplement	**Affordable Rental Housing** (shallow subsidies 10–20% below market rent	**Affordable Non-market/ Entry Level Ownership Housing** May require a form of financial support to purchase	**Entry Level Market Ownership** Modest form and size enables a lower cost product	**Market Ownership or Rental Housing** Purchased at market cost
Income	Needs based	Needs based	Below Income Threshold[2] based on family size	50% Median Income (MI) ($40 - $60k)	65% - 80% MI ($78k -$96k)	80% -125% MI ($96k-$150k)	Rental $60k + Ownership $150k +
Description	Short-term accommodation with or without supportive services Typically has a government housing or operational subsidy	Purpose design with ongoing support to address specialized needs. Government subsidized	Housing developed through capital contributions or operating subsidies by one or more levels of government to offset the cost of providing rents at below market levels. Generally operated by not-for-profit groups, charitable housing providers, or private operators with an operating agreement with the Province		Provides some assistance in the form of a subsidy or model to reduce or defer total housing cost.	Housing developed and operated by the private market. Prices reflect market demand and developer costs.	

High   Low

Level of Subsidy, Intensity of Support

Income

Low   High

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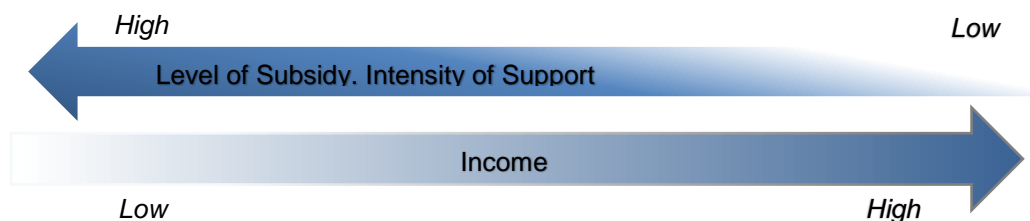
[2] Income Threshold – Income limits for households who cannot afford private sector accommodation costs and are eligible to apply for the Alberta Community Housing Program.

ROLES AND RESPONSIBILITIES OF GOVERNMENT

The roles of the Federal and Provincial governments complement each other through the joint and individual delivery of housing funding, policies, and regulations impacting housing supply. Municipal and community roles are closely linked to the Federal and Provincial governmental roles, resulting in an effective model when all parties work together through collaborative planning, as illustrated in Figure 2.

Figure 2- Housing Stakeholder Relationships
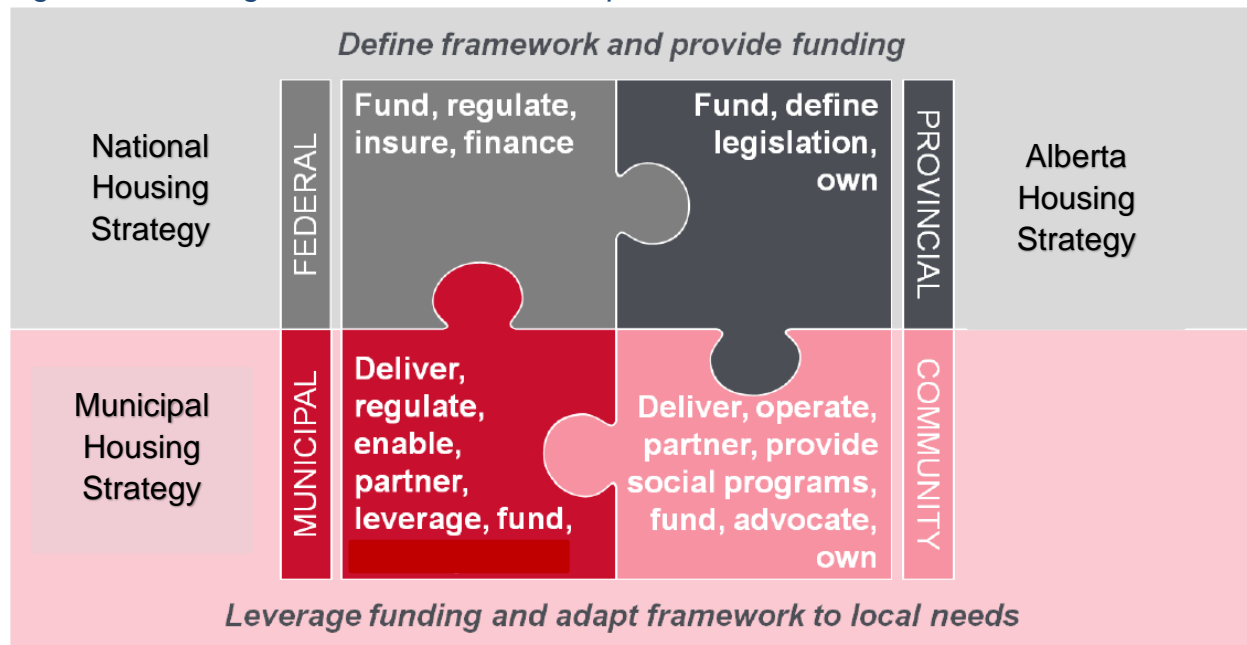
Source: *Calgary Affordable Housing Strategy 2016 – 2025*

Federal Government Role

The National Housing Strategy acknowledges that every level of government is needed for successful solutions towards housing, and has committed to a coordinated, Federal-Provincial-Municipal approach to housing policy.

Federal roles include:

- Defining rights to housing in Canadian law.
- Providing mechanisms to address the needs of vulnerable populations.
- Establishing policies and regulations to balance housing supply and demand.
- Identifying national housing priorities and the delivery of funding to support these priorities.
- Establishing national mortgage and financial measures through Canada Mortgage and Housing Corporation (CMHC).
- Partnering with Provincial Governments and Territories through investments in non-market affordable and social housing.

Provincial Role:

The Province is the primary housing partner sharing responsibility and complementary roles with the Federal Government. Provinces and Territories deliver cost-matched federal funds through bilateral agreements[3] with CMHC.

Provincial roles include:

- Establishing provincial budgets and strategic direction related to non-market housing supply, delivery, and operation.
- Balancing provincial housing priorities with federally funded initiatives.
- Incorporating an accessibility lens to housing investments.
- Coordinating the delivery of Federal and Provincial funding though investing in partnerships with others, including Housing Management Bodies, municipalities, not-for-profit entities, and the private development industry.
- Regulating the provincial non-market housing system.
- Utilizing the Alberta Social Housing Corporation for holding housing assets, administering housing programs, and distributing funding.
- Regulating landlord and tenant relations.

Emerging direction from the Province is placing greater focus on market driven development, which utilizes private-sector capital and private/public partnership models for new infrastructure.
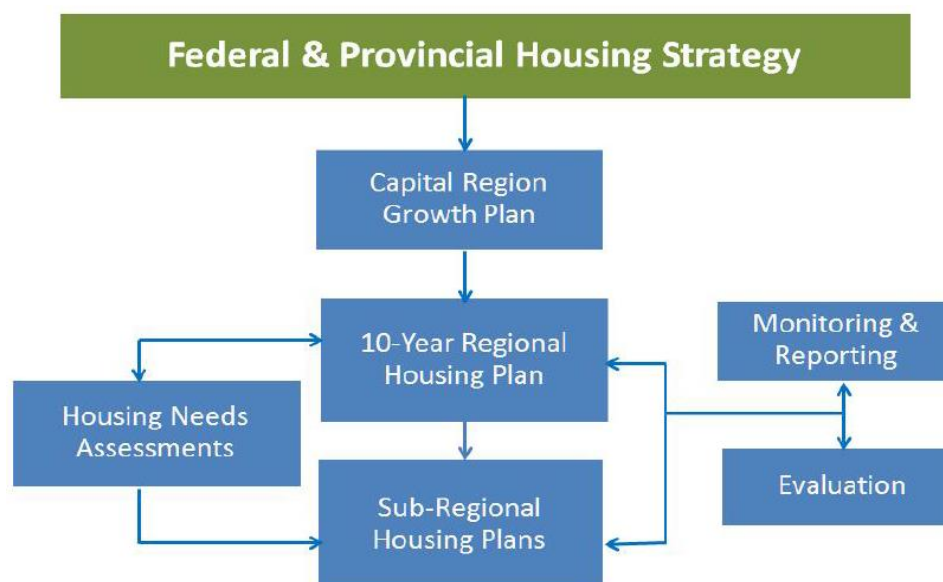
Regional Planning Role

In 2008, the Province created the Capital Region Board, with the mandate to develop "a plan regarding social and market affordable housing requirements for the Capital Region". This mandate created a framework for a ten-year rolling Capital Region Housing Plan. The plan proposed a consistent process for key stakeholders, municipalities, and Housing Management Bodies to effectively use of limited housing resources towards targeted priorities.

In 2017, the Capital Region Board membership and regulation was changed to the Edmonton Metropolitan Region Board (EMRB). The new regulation reduced the membership from 24 municipalities and counties to 13. Priority planning efforts have changed, and work on regional housing planning was dropped. While the Growth Plan continues to include references to the preparation and implementation of a 10-year rolling Capital Region Housing Plan, with alignment as indicated in Figure 3, further work in this area has not occurred.

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[3] CMHC - Alberta Bilateral Agreement under the 2017 National Housing Strategy [2019,October].

Figure 3 - Regional Housing Model

Federal & Provincial Housing Strategy

Capital Region Growth Plan

10-Year Regional Housing Plan

Housing Needs Assessments

Sub-Regional Housing Plans

Monitoring & Reporting

Evaluation

Source: Capital Region Board Regional Housing Plan

While the relationship between regional and sub-regional housing planning through Housing Management Bodies (HMB) was a logical fit, planning arrangements with housing organizations who were not part of the Housing Management Body structure were unclear. Housing planning is currently being undertaken from a local and sub-regional perspective through annual Housing Management Body business plans submitted to the Province, and through municipal initiatives. The Province utilizes HMB business plans to determine provincial housing funding priorities for the public housing system.

Opportunities for provincial funding towards housing projects that are not on the local HMB priority list are uncertain at the present time.

Municipal Role

Municipal interest in housing focuses primarily on initiatives that promote quality of life, social sustainability, economic success, and future growth opportunities for the City. Municipalities set the tone of the community by creating an environment in which housing is supported through policy, regulation, and collaboration with community stakeholders. Municipal roles include:

- Ensuring there is enough land for future growth.
- Advancing community long-range planning goals through the Municipal Development Plan, and community master plans in alignment with the EMRB Growth Plan.
- Regulating land uses and housing forms through the Land Use Bylaw and Area Structure Plans.

- Leveraging housing choice, diversity, and other community assets to attract new businesses and residents to the community.
- Addressing gaps in supply related to income and tenure through partnerships with other levels of government, the for-profit, and not-for-profit sector.
- Ensuring that advocacy efforts and federal and provincial housing programs are adaptable to local contexts.
- Funding and land provision.

The business community, the development industry, and the community at large all have a role to play in ensuring that there is a range of housing choices for all citizens. The richness and diversity of St. Albert is supported by having diverse ages, cultural backgrounds, and economic circumstances.

The non-market housing sector is made up of public and community-based organizations that share a mission to create and operate affordable housing to help seniors, low-income households, and vulnerable populations. Historically, non-market social and affordable housing represents the outcome of a series of federal and provincial programs that created over 3,000 organizations operating some 600,000 homes across Canada.[4]

Assumptions for the St. Albert model includes:

1. That the City prefers to engage in partnerships with others, rather than owning and operating housing.
2. That municipal investments in housing are used to expand the City's non-market housing stock provided at a minimum of 10% below market housing rates.
3. That municipal resources and investments effectively used to leverage funding and partnerships from other sources.

Not-for-Profit Organizations
The not-for-profit housing industry is made up of organizations that have formed through a social mandate to support housing choices for low income households. There are nine organizations in St. Albert operating non-market housing under individual mandates.

To sustain not-for-profit operations, the housing sector is shifting away from the concept of no-profit to profit-for-a-purpose. This enables operators to generate revenue and leverage assets to achieve the desired social outcomes of the organization. Mixed market housing models are intended to serve this purpose, by utilizing the revenue from market housing units to partially subsidize the rents charged to lower income tenants, effectively creating a subsidization system within the individual development.

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[4] Steve Pomeroy, (2017). "*Envisioning a Modernized Social and Affordable Housing Sector in Canada*" page i. [Online]. Available: https://carleton.ca/cure/wp-content/uploads/Envisioning-a-strengthened-social-housing-sector-FINAL-Oct-2018.pdf. [2019, October].

ALBERTA GOVERNANCE MODELS

In Alberta, there are four non-market housing governance models typically used, with unique variations of each model in different municipalities (refer to Appendix B in this report for additional information on individual case studies).

- Housing Management Body providing inclusive services.
- Housing Management Body providing specialized services.
- Municipally formed organization as the housing operator and/or planning lead.
- Municipalities as the lead in housing planning in partnership with organizations operating in the municipality.

In many municipalities, there are also independent non-market housing organizations operating within the municipal service area in partnership with the designated community planning entity, or independently according to the organization's operational mandate. Not-for-profit societies may be formed in any community, at any time, based on the organization's mandate, social purpose, and will to act.
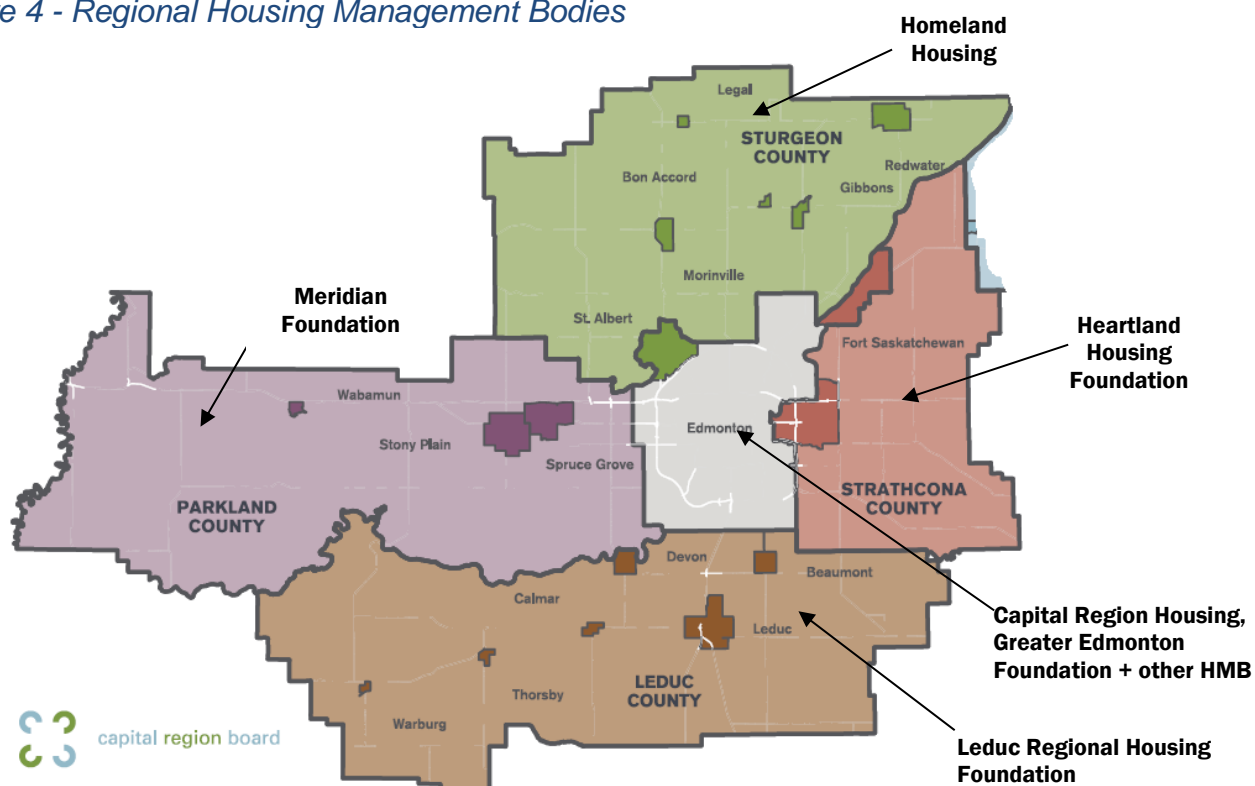
Housing Management Bodies

Housing Management Bodies (HMB), typically referred to as Foundations, are the most consistent form of governance model utilized in Alberta, with over 100 HMBs representing most Alberta communities and rural areas. Legislated and established by the Province, their operations are governed through the *Alberta Housing Act,* and regulations for social and subsidized housing, rent supplement, housing accommodation, tenancies, lodge assistance, loan insurance, and loans. HMBs typically operate provincially owned housing, and may also operate housing owned by the municipality, the management body itself, or housing for a local organization.[5]

HMBs are responsible for individually determining their scope of services, managing applications for housing assistance, and selecting tenants. The HMB must abide with the supporting regulations to deliver provincial housing programs and services. Some HMBs limit their mandate to housing for seniors', others have expanded their mandate to include other forms of affordable housing and support services. Small municipalities typically have one HMB serving multiple municipalities within their region. In larger centres there may be multiple HMBs providing housing related services within their cities. The Province has been assisting with consolidation of HMB where efficiencies can be realized.

HMBs have financial requisition powers through the Alberta Housing Act only for the operation and management of the Seniors' Lodge Program. Requisition powers cannot be used to pay for other management or development costs attributed to other housing or programs the HMBs may operate. Within the EMRB, there are five regional management bodies with over 15 HMBs in Edmonton itself as shown in Figure 4.

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[5] Capital Region Board. (2013). *Regional Housing Plan – Sub-Regional Planning Framework Phase 1: Environmental Scan.* [2019 October].

Figure 4 - Regional Housing Management Bodies

Source: Capital Region Board Housing Needs Assessment Summary 2016. Edmonton Metropolitan Region Board

1. Housing Management Body Providing Inclusive Services

The "Housing Management Body providing inclusive services" is a model used by the Leduc Regional Housing Foundation's participating members in Leduc County and the Heartland Housing Foundation's members in Strathcona County.

Another unique example of a similar model is Wood Buffalo Housing Development Corporation (WBH), which was originally incorporated as a Part 9 Corporation established by the regional municipality. WBH subsequently merged with the local HMB several years later and is currently providing inclusive services to the communities of Anzac, Conklin, Fort Chipewyan, Janvier, and Fort McMurray.

The confidence in the HMB to provide these services has resulted in a sole service delivery model for member communities and accommodates the needs of senior and non-senior populations within their regional service areas.

2. Housing Management Body Providing Specialized Services

The "Housing Management Body providing specialized services" model is being utilized by the City of Medicine Hat and Calgary. Both organizations were established by the municipality, and are recognized as Housing Management Bodies. Specialized housing

services are coordinated through the designated organization with other housing services (such as seniors' supportive housing) provided through other HMBs, or not-for-profits operating within the community.

- **The Medicine Hat Community Housing Society** is responsible for the delivery of homeless initiatives, community housing, seniors' self-contained housing, affordable housing, and rent supplements for the City of Medicine Hat and Redcliff, with three roles:
    - As a HMB named by the *Alberta Housing Act* overseeing social programs and affordable housing within the City of Medicine Hat.
    - As the provincially appointed Community Based Organization and federally appointed Community Entity charged with leading and implementing the local Plan to End Homelessness.
    - As a charitable organization under the *Alberta Society's Act*, with a portion of its budget partially made up of community donations.

    The Cypress View Foundation (another HMB) exists primarily to deliver supportive social housing for low to moderate income seniors in Redcliff, Medicine Hat, and Cypress County.

- **The Calgary Housing Company (CHC)** is a wholly-owned subsidiary of the City of Calgary, that is also a HMB recognized by the Province. As the largest landlord in Calgary, CHC manages rental units for over 10,000 households. The Board is accountable to the City as sole shareholder (as represented by Council). CHC's budget is fully self-supporting, with staff members being City employees. Silvera for Seniors is separate HMB, also owned by the City of Calgary, that delivers housing and supportive services for lower-income seniors. Calgary has many other Housing Management Bodies and not-for profit organizations delivering affordable non-market housing for all ages within the Calgary service area.

    Calgary has provided corporate direction on how the City will work with the Calgary Housing Company and other not-for-profit organizations delivering housing within the Calgary service area through Calgary's Affordable Housing Strategy[6]. Developments that are funded and built by the City of Calgary are turned over to CHC to operate. The City supports other not-for-profits through capacity building, land contributions, and financial incentives.

3. *Municipally Formed Organization as the Service Provider*

The "municipally formed organization as the service provider" is a model that designates housing planning and development responsibility to a specific organization, typically a wholly owned municipal subsidiary that operates at arms-length from the municipality. In these instances, the organization is not a Housing Management Body, but is

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[6] City of Calgary. Corporate Affordable Housing Strategy 2016 – 2025. [October, 2019].

supported by the municipality for operational and development costs. Seniors specific housing is provided in all these communities through the HMB system.

- **Canmore Community Housing Corporation (CCHC)** - is a not-for-profit Corporation formed in 2001 whose sole purpose is to provide housing solutions for the town. CCHC's sole shareholder is the Town of Canmore (pop. 13,992). Directors are appointed at the Town's discretion and are accountable to the Town for CCHC's actions.

  The Corporation's mission is to sustain a healthy and balanced community over the long term by facilitating the development of appropriate social and affordable housing. Serving as facilitator, initiator, policy advisor, researcher, and an educator, the CCHC is responsible for actively responding to the needs of the community through the implementation of creative and innovative housing solutions, principally for perpetual affordable home ownership and affordable rental options. Canmore collects a Perpetual Affordable Housing (PAH) tax requisition from businesses, the development community, and individual taxpayers to fund PAH initiatives and operational costs for CCHC. Canmore has also provided and designated municipal land towards project development.

- **Cochrane Society for Housing Options (CSHO)** - The Cochrane Society for Housing Options is a non-profit organization established in 2003 by the Town of Cochrane that focuses on supporting low to moderate income Cochrane and area households to attain housing security. In 2009, a study recommended that the CSHO and the Town (pop. 26,360) enter into a contractual Service Agreement whereby the Town provides ongoing operating funds, limited access to town staff support, and capital funding (either through the Affordable Housing Program – Block Funding Initiative Grant, and/or a Housing Reserve Fund). This agreement is in exchange for CSHO serving as the Town's primary affordable housing provider.

- **Airdrie Housing Limited (AHL)** - Airdrie Housing Limited was established in January 2008 and officially incorporated as a Part 9 non-profit corporation (subsidiary of the City of Airdrie) to oversee the management of the affordable housing portion of the City's Municipal Sustainability Initiative block funding and to implement the City's Affordable Housing Plan. Airdrie Housing Limited is overseen by a nine-seat Board of Directors, consisting of two representatives from Council, a senior city administrator, and six members of the community at large. Airdrie Housing Limited does not have a charitable designation and operates solely as a not for profit. The City provides operational funds to AHL annually, and provides funding and the donation of land for projects.

4. Municipalities as Planning Lead

This governance model designates the municipality as the key planning entity for housing related services, working in partnership with other groups to own and operate housing. Each municipality has a unique role based on the reasons why the municipality feels they need to be involved in housing.

Saskatoon (pop. 278,500) - The City encourages and facilitates the creation of new rental housing but does not build or operate housing. Saskatoon provides funding to support purpose built rental, affordable ownership, affordable rental, secondary suites, entry-level ownership, and transitional/supportive housing. Cash grants and tax incentives were considered by the City as the most effective municipal tools for the creation of attainable housing.

It was recognized that the municipality was the smallest government funder for non-market housing developments; however, stakeholders felt that many housing projects would not attract funding from the other levels of government without a municipal contribution.

Programs developed by the municipality include:
- the Innovative Housing Incentive Program, providing grants for up to 10% of capital project costs;
- land for affordable housing providers,
- Mortgage Flexibilities Support Program for homebuyers;
- fee rebates for building and plumbing permits for new secondary suites;
- priority review of affordable housing developments; and
- tax abatements for affordable housing.

Saskatoon allocated $500,000 to its Affordable Housing Reserve Fund in 2018, in addition to $422,800 from the operating budget, which is equivalent to $3.31 per Saskatoon resident. Saskatoon's housing targets are based on the amount of funding dedicated towards housing initiatives.[7] Twenty non-profit housing providers operate in Saskatoon.

Richmond BC (pop. 216,288) – Richmond addresses housing cost from a range of directions and utilizes more than one action to improve affordability on most municipally supported developments. The City supports the creation of affordable housing units though partnerships, policy, and capital cost contributions, but does not own or manage any of the affordable housing units created.

Affordable non-market housing is supported through a variety of policies, cash-in-lieu contributions (inclusionary policy), affordable housing reserve fund contributions, secondary suite incentives, and co-location of non-market housing and community assets on City land.

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[7] City of Saskatoon. Attainable Housing Targets and Funding for 2018 – Status Report on the Ten-year Housing Business Plan. [2019,October].

Port Moody (pop. 32,546) – Supports affordable housing development through municipal acquisition of land for affordable projects, leasing of land to not-for-profits at below market rates, and provision of funding to offset development application fees to qualifying projects through the Affordable Housing Reserve Fund. The City is working on a rental replacement policy, inclusionary zoning regulations, and a density bonus/community amenity contribution program to further improve affordability.

In B.C. inclusionary regulations are permitted and enable both Richmond and Port Moody increased flexibility to work with the development industry to attain affordable units within new developments. In Alberta, no such provision for inclusionary regulation is enabled for St. Albert through the *Municipal Government Act.*

Edmonton (pop. 932,546) – The Affordable Housing Strategy released in 2015 formalizes the City's role as leader, coordinator, and advocate. The City has an assortment of municipal resources to address affordable housing initiatives, including, funding, land, regulations, and policies towards affordable development.

In 2018, the Province approved the Big City Charters, providing Edmonton and Calgary with the authority to implement inclusionary policies as an additional tool to improve affordability. The Charters were recently rescinded through the 2019 Provincial budget, and the impacts on Edmonton and Calgary's ability to enact inclusionary policies are unknown at this time.

Edmonton's Affordable Housing Strategy has focussed on the mobilization of diverse partners to expand access to affordable rental housing. The City has worked to leverage the capacity of other partners towards stated policy objectives and is an active funder of housing. Edmonton's 2019 budget allocated $3.5 million annually over the next 3 years, equivalent to $3.75 per person of taxation dollars each year towards housing. The effects of 2019 Provincial funding cuts to Edmonton may impact these budget amounts in subsequent years.

Edmonton is both an owner and manager of affordable housing through HomeEd, a municipal corporation. The city also contracts a portion of their housing portfolio management to Capital Region Housing Corporation. There are also a large number of properties owned and managed by private not-for-profits.

Lethbridge (pop. 100,000) – The City of Lethbridge *Affordable Housing and Homeless Policy*[8] states that the City will facilitate the development of affordable housing by leveraging dedicated resources to increase the supply of affordable housing units within the City. Municipal roles include:

- Coordination and administration of Federal, Provincial and Municipal housing program and support services requested by other orders of government
- Planning and regulation
- Direct funding and development

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[8] City of Lethbridge. Affordable Housing and Homeless Policy CC32, effective July 20, 2015. [2019, October].

- Research and monitoring
- Strategic partnerships
- Community development and education
- Advocacy.

Grande Prairie (pop. 69,088) – Grande Prairie's Affordable Housing Strategy identifies the following actions as the City's role in the development and delivery of housing:
- administration of housing programs through federal, provincial, and municipal sources;
- use of regulatory tools including land use policies, assessment policies, and rates structures;
- provision of direct funding and development - leveraging investments from other orders of government private non-profit and joint ventures;
- leverage the City's its role in land to foster affordable housing opportunities;
- research and monitoring; and
- providing financial assistance to not-for-profit organizations in their efforts to construct, renovate, or retrofit affordable housing units.

Grande Prairie has a public housing reserve fund used to support affordable housing initiatives, providing financial incentives to developers, grants, waiving or reducing development fees, reducing parking requirements, and/or providing property tax exemptions as considered appropriate.

Grande Prairie is currently exploring the feasibility of establishing a municipally owned Housing Development Corporation, to identify policy and programs that may be adopted to encourage affordable housing development, and to establish a consistent process for how City lands may be made available to other organizations. The Corporation's formation is intended to be developed concurrently with the release of Grande Prairie's new Affordable Housing Strategy. The reason for developing a municipally owned Corporation, is that the priorities of the City of Grande Prairie do not entirely align with the local HMB's operations.

Summary
As illustrated by these examples, there is a diverse range of responses towards housing, the common factor is that housing costs are a concern in all municipalities. While there is not a one-size-fits-all model that is globally effective, it does show that housing costs can be effectively impacted by municipal actions to address them.

Figure 5 – Impacts of Funding Contributions - Rosalie's Village Saanich, BC
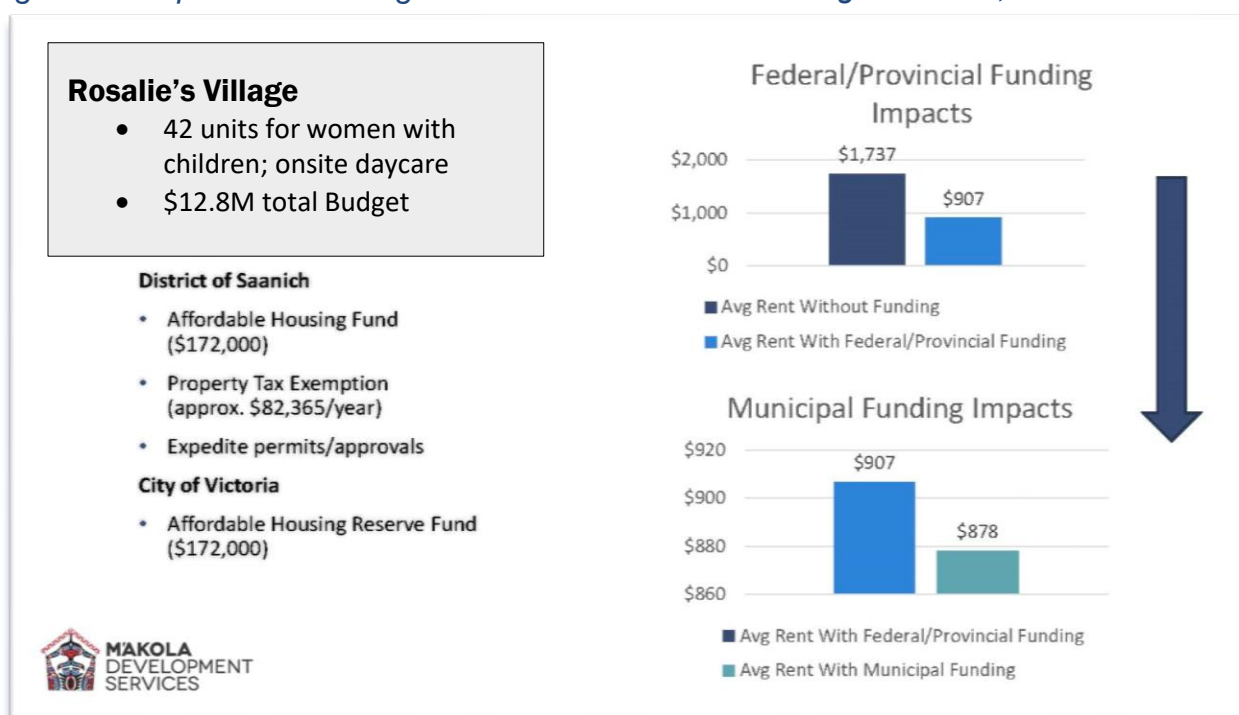
Source: Collaboration Can Create New Affordable Housing Units presentation, UBCM September 29, 2016[9]

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[9] Kevin Albers, (2016). M'Akola Development Services. Accessed October 24, 2019 Available:https://www.ubcm.ca/assets/Convention/2016/2016~Documents/Thu-PM-Theatre-Collaboration%20Affordable%20Housing%20Units.pdf [2019, October].

ST. ALBERT GOVERNANCE MODEL CONSIDERATIONS

An effective and responsive housing governance system should:
- stimulate a mix of market and non-market housing choices in rental and ownership tenures, prices, and locations;
- establish methods to address the gap between rents, house prices, and income levels; and
- assist specialized and vulnerable populations with housing options and supportive services to address ongoing needs.

Governance model considerations include three options that the City could consider moving forward with the housing portfolio:

Option 1 – Homeland Housing as Planning and Operational Lead

This option would designate Homeland Housing as the primary developer of non-market housing in the City, by acting as the primary planning lead for St. Albert and other member municipalities. Homeland's service area encompasses a large area including Westlock County, Sturgeon County and St. Albert, as illustrated in Figure 6. Discussions are required with Homeland's Board and administration to determine whether they would be interested in undertaking this role.

This model is being actively implemented through the Leduc Foundation, the Heartland Foundation, and the Bethany Group in central Alberta.

Opportunities:

- The HMB as lead lessens the City's influence on outcomes, but also diverts responsibility to another organization to accomplish the City's goals.
- Homeland Housing has indicated that it does not require an operating cost subsidies for future developments, as costs can be absorbed into existing and new operations.
- As Homeland's operational capacity expands, greater economies of scale would enable profits to be reinvested into future units with less reliance on Provincial and Federal funding.

Figure 6 - Homeland Housing Service Area
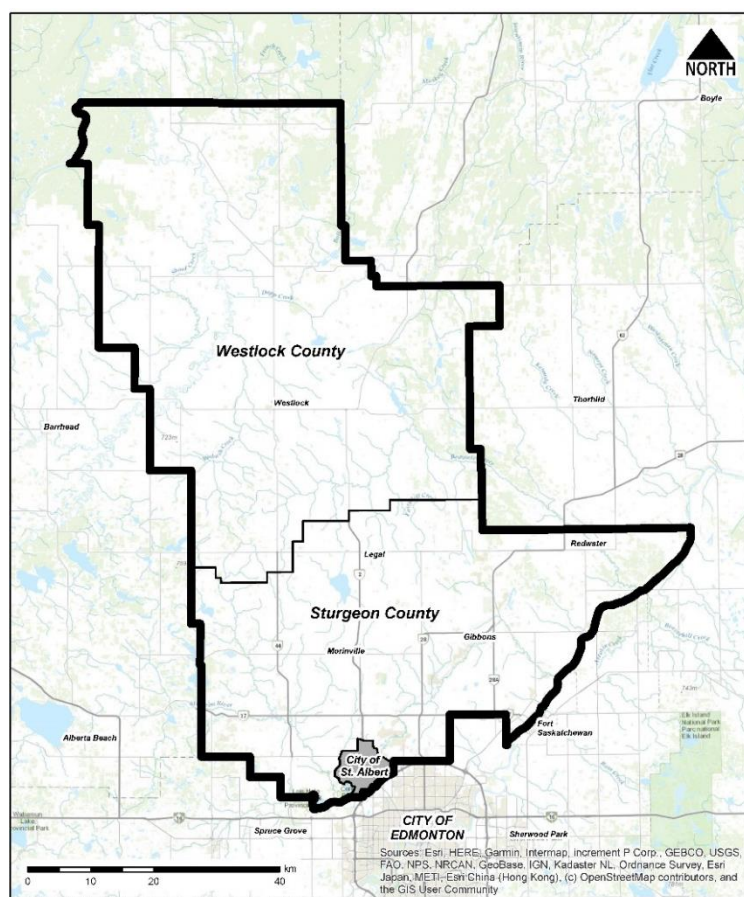
Challenges:

- Designation of Homeland Housing as the housing planning lead does not negate the value of operations from other housing providers in St. Albert but does place limitations on opportunities to develop new partnerships and housing initiatives outside of the HMB business model.
- St. Albert development projects would be considered with other regional needs in Homeland's operational service area (11 municipalities, counties and towns).
- St. Albert is also considering housing options, programs, and services to prevent homelessness in St. Albert. While Homeland has expressed interest in providing these services, the specialized homeless supports required may be outside of the normal areas of Homeland's expertise.
- Designation of a separate organization as the housing planning lead, does not relieve the City of the following tasks related to housing planning:
  a. Establishing the local vision for housing; (MDP, Council Strategic Priorities, Affordable Housing Strategy and other housing and homeless plans)
  b. Engaging with the local community in partnership with the housing lead to determine housing needs and local priorities;

c. Supporting research and development of innovative design and construction techniques;
d. Leading the development and implementation of local housing and homelessness plans, and supporting the development and implementation of Sub-Regional Housing Plans;
e. Contributing to, and coordinating housing funding;
f. Supporting advocacy and education for community endeavours;
g. Establishing and enforcing regulations; and,
h. Monitoring and report on housing progress.

The use of regulatory tools and incentives to leverage additional affordable housing units would rest with the City to implement. Operation of any units realized could be operated through the designated housing operator or other partners.

Option 2 – Establish a Municipal Housing Corporation

This option considers the City establishing an arms length not-for-profit corporation responsible for housing planning, asset management, and the development of non-market housing based on the following examples:

1. The Wood Buffalo Housing Development Corporation (WBH) was incorporated with less than $40,000 of regional municipal funds, plus the transfer of $1 million in block funding along with 8 acres of undeveloped land to start its portfolio from the Province. The subsequent merger with the Fort McMurray Housing Authority several years later brought all government subsidized housing from the region into the portfolio.
2. The Canmore, Cochrane, and Airdrie housing organizations were created by each municipality and are responsible for housing planning in their communities. Each of these models provides ongoing municipal funding towards the organization's operations. Canmore is in a unique position as a tourist town and provides funding to support the Canmore Community Housing Corporation and requisitions towards the Perpetual Affordable Housing fund separately on property tax notices.

Opportunities:

- An affiliated housing corporation would be responsible for all municipal non-market housing initiatives including the assembly and distribution of municipal land and funding towards future non-market housing developments.
- The city would maintain control over partnership options and initiatives it wishes to pursue.

Challenges:

- It may take years for the corporation to become financially self-sustaining without a ready-made portfolio.
- Times of financial constraints may result in corporate losses that would ultimately be backed by the City.
- There may be limited ability to transition a corporation into a HMB (as was done with the WBH model) due to ongoing HMB consolidation efforts by the Province.
- The City of Grande Prairie is currently considering the incorporation of a municipal housing development corporation. This strategy received negative feedback from the development industry and the Urban Development Institute (UDI) regarding the potential conflict with private industry.

It is not recommended that the City pursue this direction, for the reasons noted above.

Option 3 - The City as Housing Planning Lead

Option 3 designates the City as the key coordinating entity for housing initiatives within its municipal boundaries, implementing a multi-pronged approach for housing and homelessness initiatives. To be successful, the City would need to develop an Affordable Housing Program, facilitating housing development targets in alignment with priorities relating to Council's strategic direction, establishing a funding mechanism, and providing resources dedicated to the Program.

A survey of other municipalities provides justification for this role:

1. The City of Lethbridge has identified that achieving the desired future outcomes of the housing system cannot be the sole responsibility of one body or agency. Successfully addressing the identified housing gaps depends on the collaborative efforts of all housing partners.

2. The City of Edmonton views the provision of affordable housing as a core municipal purpose and an important component of local infrastructure. As such, the City is committed to working proactively and in partnership to deliver programs to meet the affordable housing needs of Edmontonians.

3. City of Calgary transformed their organizational service delivery model by changing how services were delivered for affordable housing by focussing on increasing the supply of housing by scaling up not-for-profit operators, and through focusing on outcomes.

4. The City of Grande Prairie's Affordable Housing Strategy is expected to position the city as the key coordinating entity for housing through the planned Housing Development Corporation.

Opportunities:

- The City can remain aligned with the Provincial funding model through Homeland Housing as one of its primary development partners while also pursuing other development opportunities and partnerships with private industry and other not-for-profit operators.
- Specialized housing services for community members with unmet social needs could be facilitated through partnerships with housing operators and agencies who are specialists in these fields.
- Housing targets could be predicted based on the value of municipal resources dedicated towards the Affordable Housing Program.

Challenges

- Housing targets are not likely to be achieved unless municipal financial resources or land are dedicated towards them.
- Economic factors may limit potential partnership options.

St. Albert recognizes the contributions of all organizations that provide housing and supportive programs to St. Albert citizens. Successful organizations are an outcome of strong leadership, gathering the right people and expertise together, and embracing a culture that tolerates risk.

Engagement in transformative practices within the housing sector requires sufficient operational capacity to retain staff and develop the expertise to take on new activities. "Scale was identified as a critical constraint – small providers do not have professional staff or expertise to take on new activities or transform, except when merged onto new larger organizations (these tend to occur mainly as a result of a project falling into financial difficulty, rather than being instigated in advance of such problems)."[10]

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[10] Steve Pomeroy, (2017). "*Envisioning a Modernized Social and Affordable Housing Sector in Canada*" page 13. [Online]. Available: https://carleton.ca/cure/wp-content/uploads/Envisioning-a-strengthened-social-housing-sector-FINAL-Oct-2018.pdf. [2019, October].

RECOMMENDATION

It is Administration's recommendation that the City maintain its position as the primary housing planning lead, utilizing a multi-pronged approach to housing program delivery and support. An Affordable Housing Program would enable the City to establish realistic housing targets based on need, available funding, and/or resources dedicated to the Program. The City would be able to engage in a range of partnerships with housing stakeholders addressing the diverse range of housing needs and associated supports. Future partnership models and funding considerations will be based on governance model direction.

Municipalities included within the report's examples are actively involved in creating a diversity of housing options in their communities, with the use of funding to incent partnerships. While municipalities may be the smallest government enabler for non-market for housing development, municipal contributions enable the attraction of funding from private industry, the Province, and the Federal government.

St. Albert took significant steps to expand the City's housing stock through the $5.4 million in Provincial funding provided to the City between 2007 – 2011. This funding leveraged more than $36 million in additional funding towards St. Albert housing. Administration's recommended direction is intended to leverage resources from future municipal partnerships in a similar manner.

Homeland Housing's position as the designated delivery agent for provincially supported housing programs and services is recognized as an important factor in future non-market housing planning. Coordination, collaboration, and funding mechanisms will be required to facilitate Homeland's future development plans, and to facilitate collaboration with other not-for-profit community housing developers. While Homeland Housing is considered as one of the City's primary partners, the city can also be open to other partnerships as opportunities arise, with the City as the primary housing planning lead.

Specialized housing services for community members with unmet social needs could be facilitated through partnerships with housing operators and agencies who are specialists in these fields.

St. Albert is evolving in a new direction through Flourish, St. Albert's new Municipal Development Plan (MDP), by identifying actions for the City's strategic growth for a city of 100,000 people. The St. Albert Affordable Housing Strategy (2005) is close to 15 years old and does not reflect the change in the City's visionary documents. As such, it is recommended that the Strategy be revisited in the next couple of years to correspond to the actions being undertaken to be a diverse and inclusive community.

A renewed Affordable Housing Strategy would provide a new path for a new era, confirmed by the direction that Council provides in relation to housing governance.