



CITY COUNCIL AGENDA REPORT

**Subject: REVIEW OF CITY FUNDING SUPPORTING
AFFORDABLE HOUSING INITIATIVES**

Recommendations

1. That the policy for Emergency/Crisis funding, currently under development by Administration, include funding parameters for program service duplication.
2. That Administration take steps to negotiate and bring forward for Council's approval, a Memorandum of Understanding (MOU) between the St. Albert Housing Society and the City of St. Albert on the use of net revenue from Big Lake Pointe on the units owned as a result of the City's investment in the project land, and that the terms of any such MOU be tied into future operational grant funding allocations.
3. That Administration review Council Policy C-FS-12 - Outside Agency Budget Guiding Principles and bring forward any recommended amendments necessary to provide additional clarity on alignment with Council strategic priorities, and criteria for operational funding sustainability for Council consideration.

Purpose of Report

This report has been prepared in response to the information request by Councillor Brodhead on November 16, 2015.

Refer to: Attachment 4

Council Direction

On November 16, 2015, the following information was requested:

IR 391.2015

That Administration review city funding supporting senior's affordable housing to determine the efficiency of funding multiple agencies with similar mandates within the community. Report back to Council by the end of Q1 2016.

Administration's response to IR391.2015 indicated that the report would be provided in Q2 due to current workloads.

Refer to: Attachment 4

After consultation with Councillor Brodhead regarding the intent of his IR, the content of the report has been clarified to "review city funding supporting *affordable housing and housing services* to determine the efficiency of funding multiple agencies with similar mandates".

At the May 16, 2016 meeting, Council approved the development of the FCSS Crisis fund. This future policy could also be utilized to address funding parameters for other emergency assistance programs such as rental assistance.

(C324-2016)

That the one time Provincial FCSS funding of \$147,027 be allocated to the FCSS Department 2016 base budget, recognizing this fund does not require any matching (80/20) from the Municipality.

That the \$147,027 be allocated to the following four investment areas within the FCSS 2016 (special project) budget:

- a. Suicide and mental health support (\$15,000)
- b. Neighbourhood Network training and support (\$5,000)
- c. Asset Development marketing, promotion and education (\$10,000)
- d. Emergency/crisis/emerging trends support and resources (\$117,027)

That Administration provide a slot memo quarterly to Council that provides a summary of any transactions undertaken through the Emergency/Crisis fund allocation.

That Administration develop a policy concerning the Emergency/Crisis fund for Council's approval.

Background and Discussion

Though the City has made great strides in addressing the need for non-market affordable housing units in recent years, the demand for affordable housing programs and services is not expected to diminish:

- The numbers of St. Albert households in need of affordable housing increased from 4.9% in 2006 to 7.1% in 2011 (1,540 households). Of those, 25.3% (730) of all renter households were in Core Housing Need¹, and were paying an average of 58.3% of their income towards housing costs. One hundred percent of these households fell below the affordability standard.
- 4.3% of all owner households (805) were in Core Housing Need.

¹ Refer to definitions included as Attachment 6

The Housing Diversity Action Plan received by Council in March 2015 shows that the highest numbers of rental households with affordability challenges are seniors, singles, and single parent households. Changes in employment status, immigration, and family structure also contribute to demand.

Housing needs within the Sturgeon sub-region (including St. Albert) are also high. The Capital Region Board (CRB) Sturgeon Sub-Regional Assessment indicates that there are currently 975 renter households in Core Need, most paying more than 30% of their income towards rental housing costs. To address the current backlog, it would be necessary to double the current affordable housing stock throughout the region. In addition to the 975 renter households whose needs are not being met in the sub-region, there is a predicted future need of 81 units each year.

Lone parent families and seniors have the highest incidence and number of households in need of non-market rental housing.

Affordable Housing Organizations

There are currently nine organizations (excluding the City) providing affordable housing at less than market rates within St. Albert. These organizations offer a variety of affordable rental and ownership options to St. Albert residents.

Refer to: Attachment 1

The City has the following policies that govern the allocation of operational and project based funding:

1. Policy C-P&E-06 – Affordable Housing:

This policy encourages the development of housing through the use of municipal planning tools, financial incentives, advocacy, partnerships, and the direct provision of housing programs and services when it is deemed appropriate for the City to undertake them. Partnerships are considered with profit and non-profit entities to build and operate housing.

This policy focuses on parameters for project based funding and does not consider the provision of operational funding to housing organizations.

2. Policy C-FS-12 – Outside Agency Budget Guiding Principles

This policy is utilized to support external organizations that offer important community support services, based on the receipt of a detailed Business Case and may be based on the recommendation of the Community Services Advisory Board.

This policy is utilized for program and service requests that fall outside the parameters of other municipal grant programs, such as FCSS Operating Grant Program.

Project Based Contributions

Municipal funding has played a key role in furthering the City's affordable housing agenda, principally through the affordable housing block funding allocated to the City from 2007 – 2010. This funding has permitted the City to provide project based contributions to Habitat for Humanity, the St. Albert Housing Society (SAHS), and the Sturgeon Foundation, which resulted in the development of 161 affordable housing units.

Refer to: Attachment 1

Funding was also allocated to the St. Albert Rental Assistance Program, currently operated out of the St. Albert Community Village, and the Basement Suite Grant Program. In 2011, the Province changed its policies, and housing funding to municipalities was terminated. Council has been reluctant to fund housing initiatives on its own accord, as housing is considered a responsibility that should be shared by the federal and provincial governments.

Recently announced federal and provincial funding for housing initiatives is expected to be distributed through the Province. Potential development proposals that would be considered for funding must be supported by local management body business plans, and could include partnerships with other organizations (profit and non-profit). This Provincial direction delegates regional project planning to the Sturgeon (Homeland) Foundation in the St. Albert/Sturgeon area.

Operational Funding Contributions

Of the nine organizations offering affordable housing within St. Albert, the City provides operational funding solely to the St. Albert Housing Society. In 2016, the City allocated \$102,090 to the Society for operational costs through Policy C-FS-12 – Outside Agency Budget Guiding Principles. The City's funding to the Society for operational costs is equivalent to \$6,000 for each unit owned.

The City is indirectly associated with the collection of funding for the Sturgeon Foundation through the collection of property taxes. The Alberta Housing Act gives the Foundation the legislative authority to requisition funds from households within its member municipalities for lodge accommodation deficits, and any amount necessary to establish or continue a reserve fund for the management body, based on an equalized assessment process.

The total cost of the requisition divides the total requisition amount equally between each household within the Sturgeon Foundation operational area. In 2016, the City will collect \$1,104,070 from St. Albert residents on behalf of the Foundation. This amount is included on individual property tax notices, collected by the City on the Foundation's behalf. The amount of the requisition is equivalent to \$5,872 of each available unit in St. Albert, though the requisition amount is calculated as indicated in the above paragraph.

Outside of the levy function, the City itself does not pay for any of the Foundation's operational costs.

A review of agencies with similar mandates has been limited to the Sturgeon Foundation and the St. Albert Housing Society, as these are the only two organizations that the City has a direct or indirect operational funding association with.

Refer to: Attachments 2 and 3

Duplication of Housing Services

In 2012, the Sturgeon Foundation's mandate was broadened to include housing for others in need. While this mandate is the goal of the Foundation, so far the Foundation has been unable to provide accommodation for non-senior households in St. Albert. St. Albert is a preferred location for seniors, as medical services and other supports are close by. The 42 units planned for the North Ridge Lodge site will also be geared towards seniors. The Foundation is also working on long range plans to develop a 200 unit facility to replace Chateau Mission Court, and has requested the City's assistance in finding a site. The lack of publicly owned land and the cost of privately owned sites present development challenges.

The SAHS owns 17 units at Big Lake Pointe, which are rented principally to non senior households. The Society's clientele served within the Society's 2016 Business case were lone parent families, participants moving from domestic violence situations, and family and non-family households with incomes at or below the Core Need Income Threshold¹. The Society also utilizes six private landlord rent supplements from Capital Region Housing Corporation (CRHC) to make up the difference between affordable rent and 30% of the tenant's income. This subsidy is most effective for households on AISH or other income support programs. The Society will be releasing their yearly financial report at the end of June, which will also provide more information on the clientele served. Administration was unable to obtain this information for this report.

Big Lake Pointe also provides 61 additional affordable housing units which are owned and operated by Big Point Developments. All 78 affordable units in Big Lake Pointe are subject to the requirements of the 20 year Housing Capital Initiatives Agreement with the Province, which stipulates that rental rates must be at least 10% below market rents. The market and affordable units within Big Lake Point (118) are managed by an independent property management firm retained by the Society and Big Point Developments.

Currently there is no duplication of services between the St. Albert Housing Society and the Sturgeon Foundation. However as the Foundation's mandate broadens over time, and more new affordable family housing is developed, there could be greater potential for duplication of housing services, provided that there would be sufficient supply of non-market affordable rental housing to meet the demand including the current backlog and future demand.

In 2013, facilitated discussions were held between the Sturgeon Foundation and the St. Albert Housing Society to discuss mutual interests. The SAHS expressed their desire to see their agency continue on its current course and explore ways to become self-sufficient over time. The SAHS did not see the need to explore shared services. It is the recommendation of Administration that opportunities to explore shared services be revisited.

Development Capacity

The planned merger between the Sturgeon and Westlock Foundation to form the Homeland Foundation is expected to increase the Foundation's development and operational capacity, through a broader operational base. As St. Albert has a single representative vote on the new board, its influence on expansion plans will be equal to all remaining rural municipalities. Land costs are significantly higher in St. Albert, which may be a detriment to considering development opportunities in St. Albert.

The Sturgeon (Homeland) Foundation is the designated delivery agent for provincial programs and services. The Foundation is also the designated lead on all sub-regional housing planning, through the Capital Region Board Housing Plan.

The SAHS has a greater challenge in becoming self-sustaining. It owns 17 units that are managed in partnership with the remaining 61 units in Big Lake Pointe (BLP) through a property management firm. The Society has been reliant on municipal funding for 60% of operational revenue in 2016. Operational grant opportunities are limited. The Community Initiatives Grant of \$56,246 received by the Society for operational costs will be spread out over two years out of a three year grant cycle. The Society will be eligible to reapply in 2018.

The Society's desire to retain the net revenue from BLP for future housing development also impacts on its ability to become less reliant on municipal operating funds. Administration is recommending further discussions between the City and the Society on the use of this revenue.

Rental Assistance Programs

There are currently five rental assistance programs that provide rental subsidies in St. Albert.

Refer to: Attachment 5

In addition to the federal and provincial programs, there are also two local rental assistance programs. The St. Albert Rental Assistance Program (RAP) was initiated in 2008 through the City's affordable housing block funding, in response to the gap between housing needs and provincial program availability. It is currently operated out of the St. Albert Community Village. Unless additional funding is received, it is expected that the program will terminate in 2018.

In 2013, the SAHS developed the HOMEconnection Program, through funds raised by the Friends of St. Albert Housing Society, the Society's charitable arm. The HOMEconnection Program provides funding to households who require emergency rental assistance, but do not qualify for other programs. The SAHS raises funds for this purpose, as affordable housing is not recognized by Canada Revenue Agency as a charitable objective. Charitable requirements present a significant barrier when a charitable donation receipt is required for income tax purposes.

The City directly and indirectly funds both rental assistance programs.

While independent organizations such as the SAHS and Friends of SAHS are free to develop and implement programs of their choosing, Administration is recommending that the City undertake a review of direct and indirectly funded programs to ensure that City funding is utilized efficiently.

Recommendations for Efficiency of Funding Multiple Agencies:

A key consideration in duplication of services is the value received from the funding provided, both for operational and program costs.

1. Council recently approved the FCSS Crisis Fund, which will result in a new policy being developed to define crisis funding parameters. It is recommended that this policy also consider parameters for City funded program services based on Council's strategic priorities. This policy could result in a review of the two local rental assistance programs for operational and program costs.
2. The City purchased the land for Big Lake Point which resulted in the Society's mortgage free ownership of fifteen units. The City also allocates operational funding to the Society annually. While the Society has indicated in previous years that they were looking at methods to become self-sufficient, in 2016 they will be reserving net revenue (\$97,500) to fund future affordable housing projects. It is recommended that the City negotiate with the St. Albert Housing Society to develop an agreement or memorandum of understanding which defines the use of future revenue from Big Lake Pointe, on units acquired through municipal contributions. As the City is the Society's major funder for both operational and capital costs, the use of this revenue should be subject to mutually agreed terms.

Potentially terms could be tied into the grant funding agreement.

3. Outside agency funding requests are currently processed through Policy C-FS-12 - Outside Agency Budget Guiding Principles. Funding allocations are based on the recommendation from the Community Services Advisory Board, which are then reviewed and approved by Council.

Administration recommends that additional grant criteria be added to this policy considering the following elements:

- Alignment of funding objectives and outcomes with Council's strategic goals.
- Providing additional guidelines to assist the Community Services Advisory Board with prioritization of funding requests.

4. The opportunity for shared services between the St. Albert Housing Society and the Sturgeon Foundation should be further explored to ensure that municipal funding towards affordable housing is utilized efficiently.

Stakeholder Communications or Engagement

- None at this time

Implications of Recommendation(s)

- Changes to City policies may not be well received by affected organizations.
 - There is a risk that the administrative cost to implement the recommendations may exceed the cost savings realized.
- a) Financial:
 - An estimation of costs to the City would be based on approved recommendations.
 - b) Legal / Risk:
 - None at this time.
 - c) Program or Service:
 - None at this time.
 - d) Organizational:
 - None at this time.

Alternatives and Implications Considered

If Council does not wish to support the recommendations, the following alternatives could be considered:

- a) Alternative 1: That the June 20, 2016 agenda report entitled "City Funding Supporting Affordable Housing Initiatives Review" be received as information.

Implications: If this Alternative is chosen, identified issues and concerns will not be addressed at this time.

Strategic Connections

a) City of St. Albert Strategic Plan (Policy C-CG-02)

Pillars of Sustainability

SOCIAL – We are a friendly and inclusive community of passionate equals, where everyone feels a sense of belonging. We believe that community starts with the person next door.

Governance Strategy

Council is committed to ensuring that the City of St. Albert is a responsive, accountable government that delivers value to the community.

Service Delivery Strategy

Council is committed to ensuring that the City of St. Albert is engaging residents to identify opportunities to improve delivery of services to the community.

b) Long Term Plans

- Municipal Development Plan
- Social Master Plan

c) Corporate Objectives

- Deliver programs and services that meet or exceed our standards
- Exercise strong fiscal management
- Ensure our customers are very satisfied

d) Council Policies

- Affordable Housing C-P&E-06
- Outside Agency Budget Guiding Principles C-FS-12

e) Other Plans or Initiatives (Business Plans, Implementation Strategies, etc.)

- Affordable Housing Delivery Model
- Housing Diversity Action Plan
- Community Housing Plan

Attachments

1. Affordable Housing Units in St. Albert
2. Sturgeon Foundation Summary
3. St. Albert Housing Society Summary
4. IR 391.2015
5. Rental Assistance Programs in St. Albert
6. Definitions

| | |
|---------------------------|--|
| Originating Departments: | <i>Planning & Development / FCSS / Community and Protective Services</i> |
| Author: | <i>Lory Scott, Affordable Housing Liaison</i> |
| General Manager Approval: | <i>Gilles Prefontaine, Chief Community Development Officer</i> |
| City Manager Signature: | Date: |

AFFORDABLE HOUSING UNITS IN ST. ALBERT

| Organization Type | Organization Name | Units | Affordability Program |
|------------------------------|--------------------------------------|------------|---|
| Management Body | Sturgeon Foundation | 188 | Seniors Affordable Housing, Lodge Program, Alberta Seniors Benefit subsidies for low income seniors |
| | Capital Region Housing Corporation | 2 | Community Housing –Rental rate is geared to 30% of income |
| Housing Cooperative | Liberton Terrace Housing Cooperative | 43 | CMHC Housing Cooperative Mortgage Agreement Affordable Rental - Overall rents 10% below market. CMHC rent subsidies for low-income residents until mortgage term ends (up to 50% of units). |
| | Heritage Hills Housing Cooperative | 50 | |
| Non-Profit or Charity | Habitat for Humanity | 35 | Affordable Home Ownership mortgage payments geared to 25% of Household (HH) income |
| | Transitions | 15 | Organization subsidy for property tax - results in lower rents charged to clients with disabilities |
| | Lo Se Ca Foundation | 21 | |
| | St. Albert Housing Society | 17 | Alberta Housing Capital Initiatives Grant funding Agreement – rent 10% min. below market rent. |
| Private Landlord | Big Lake Pointe | 61 | Alberta Housing Capital Initiatives Grant funding Agreement – rent 10% min. below market rent |
| | City of St. Albert | 1 | Affordable rent |
| Subtotal | | 433 | |
| Other Programs | Basement Suites | 75 | Affordable rent - at or below CNIT rent limits |
| | Rosedale Developments | 70 | Alberta Seniors Benefit subsidy for low-income residents in Designated Assisted Living Units (EDAL, DAL) |
| | Christensen Developments | 31 | |
| Total | | 609 | |

STURGEON FOUNDATION SUMMARY

The Sturgeon Foundation is a Housing Management Body, established by Ministerial order under the Alberta Housing Act. Within the Sturgeon Foundation service area, it is the provincially designated delivery agent for provincial housing programs and services. While the majority of services are focused on seniors, the Foundation broadened its mandate in 2012 to include services for others in need.

In April 2016, the Foundation announced plans to merge with the Westlock Foundation to create a new housing entity. This new organization, called the Homeland Foundation, is expected to be operating as a single entity effective January 1, 2017. The merger between the two Foundations is in alignment with the Government of Alberta's plans to consolidate the number of management bodies in Alberta, in order to improve efficiencies in services, and to reduce costs through economies of scale. The Homeland Foundation will be responsible for managing over 700 housing units throughout its service area, which includes the former Westlock Foundation service area and the current Sturgeon Foundation service area.

The Homeland Foundation's mandate will include seniors affordable housing and supporting others in need, which could consist of special needs clients over the age of 18, AISH recipients, low income single parents and families.

While the mandate of the Foundation has broadened, it may take a number of years for this objective to be achieved. This goal will require land and funding from the federal and provincial governments and member municipalities. The Capital Region Board sub-regional housing plan may also play a key role in achieving this objective, through the proposed 10 year rolling funding model.

Corporate Structure

The structure of the Foundation is defined under the *Alberta Housing Act*. Each municipality is represented by one member on the Board of Directors. As the Foundation transitions to the Homeland Foundation, each member municipality will continue to have an elected representative on the Board.

Client Service Base

Currently the Foundation is principally involved in supporting low income seniors over 65. The Foundation's 2014 client profile showed an average age of 85 in the seniors Lodge Program. Of those, 60% received home care services, with slightly less receiving assistance with medications.

The demand for lodge accommodations, and affordable housing remains greatest in St. Albert, as it is the largest urban centre within the Sturgeon Foundation service area, close to shopping and health care services. The Foundation is able to accommodate a broader range of clientele in its facilities in outlying communities due to higher vacancy rates in those areas. There is an extensive waiting list in St. Albert, which places priority on low income seniors over the age of 65.

The majority of senior clients in Foundation facilities are single (principally female) with some couples. The highest contributors to vacancies are transitions to long term care or death.

Sturgeon Foundation Housing Programs

| Clients | Program | # of St. Albert Units |
|-------------------------------|--|-----------------------|
| Low Income Seniors (65+) | Chateau Mission Court self-contained | 53 |
| | North Ridge Lodge | 45 |
| | Chateau Mission Court Lodge | 42 |
| Moderate Income Seniors (65+) | Affordable housing (min. 10% below market rates) | 48 |
| | | 42 planned |
| Total | | 230 |

Capital Development

The Sturgeon (Homeland) Foundation has established the following project priorities for the St. Albert service area:

| St. Albert Priorities | | Anticipated timelines |
|--|--|--|
| 1 | Northridge Place Phase 2 | 42 units - Construction fall 2016 |
| 2 | Campus of Care including supportive living (SL3 and SL4) | Subject to land acquisition and funding |
| 3 | Affordable housing for others in need (St. Albert) | Subject to land acquisition and funding |
| Other priorities within the Sturgeon Foundation service area | | Anticipated timelines |
| | Redwater seniors supportive living | 2017 - project parameters being established. |
| | Morinville Community affordable housing | Construction timelines subject to additional project funding from the Province. Land and funding has been contributed by the City of Morinville. |

Analysis

The Foundation's services to low income seniors are a niche that cannot be filled through other sources, due to the specialized needs of this client base. The Foundation provides meals, transportation, social programs, and health associated services to many of its clients. Operating costs are supported through the *Alberta Housing Act* legislation.

As the Homeland Foundation moves forward, the capacity to develop affordable housing in St. Albert may be limited due to lack of land availability and land cost, particularly when compared to other rural Foundation communities. St. Albert's single vote on the Board may be influenced by a greater representation from rural areas where land costs are significantly less expensive, potentially directing future project development to other Foundation communities.

ST. ALBERT HOUSING SOCIETY SUMMARY

The St. Albert Housing Society (SAHS) was incorporated in 2007 by the former members of the Affordable Housing Advisory Board (a former committee of Council), as an independent entity that is not under the direction or control of the City. The Society is a not-for-profit Society with a mission to provide safe, affordable housing options and support services to individuals and families. Operational funds provided to the Society by the City are subject to the terms and conditions of the City's annual Operating Funding Agreement.

Funding Support

While the Society handles all operational functions independently from the City, the City has provided funding to the SAHS to assist with operational costs since 2008. The City's contribution has varied annually, as shown on page 3 of this summary.

The City has also supported the Society by purchasing the land for Big Lake Pointe (BLP) at a cost of \$2,294,318. After the Society's development partner, Big Point Developments, received funding from the Government of Alberta to develop 78 affordable housing units on the site, the City transferred title to the Society for \$1. The City provided an additional \$258,000 grant to the BLP project through Motion C425-2011.

All affordable units in the Big Lake Pointe development are subject to a 20 year affordable housing operating agreement with the Province, which stipulates that the maximum market rent charged must be at least 10% below market rents. Rental rates are controlled by the Province on an annual basis.

Refer to: Attachment 3

The Society currently owns 17 units within BLP. Of those, 15 were obtained through the transfer of the land value into units. The City has a registered interest in these units as a result of the City's investment in the land. The Society has also purchased two additional units through community fundraising efforts.

The Society's units at BLP are managed in partnership with the remaining 61 affordable units and 40 market rental units through a property management firm on behalf of the Society and Big Point Developments. The Society has indicated that it will be reserving the net revenue from the unit rental income (\$97,500 projected for 2016) to fund future affordable housing projects.

In 2016, Council allocated \$102,090 towards operational funding support for the Society, through the Community Services Operating Grant Policy C-FS-12. This is an equivalent cost to the City of approximately \$6,000/unit. The Society is not eligible for operational or program funding under the FCSS Operating Grant Program Policy C-CS-14, as its programs and services are not preventative in nature.

The 2016 Business Plan showed the following staff, equaling 2.3 FTE:

1. Executive Director (0.5 FTE)
2. Office Administrator (0.7 FTE)
3. Client Services Consultant (0.5 FTE)
4. Community Development Consultant (0.5 FTE)

5. Bookkeeper (0.1 FTE)

The Society also has seven listed members on its Board of Directors.

Home Connection Program

The Home Connection (HC) Program has been developed and implemented on the Society's sole initiative, to fill the gap between other rental assistance programs and emergency needs. Rent supplements are exclusively raised through charitable donations provided to the Friends of St. Albert Housing Society (Friends), principally through the Society's annual fundraiser, the HOMEstyle breakfast. Friends is a separate charitable arm of the Society, established under the Charities Act.

Affordable housing is not recognized by the Canada Revenue Agency as a charitable objective, therefore the Society cannot provide charitable, tax-deductible receipts to those who donate to general operations, or to capital donations related to affordable housing. This legislation represents a significant barrier to fundraising.

The HC Program provides a rent subsidy to selected clients for a period of up to two years. Each client receiving assistance is required to be supported by a local social service agency for the term of the client's contract. In 2014, 5 clients were supported through this Program. The Society will be releasing information on 2015 program clients at the end of June. Administration was unable to obtain these statistics for this report.

Use of City funding:

The City provides operational funds solely to the St. Albert Housing Society, under the terms of the Operating Funding Agreement, however as the finances of the SAHS and Friends are closely related, administrative costs for the HOMEconnection program are shared between the City and Friends of SAHS.

The Society's 2016 funding request included the following uses:

- to assist with operating costs
- to assist with administration of the Home Connection Program
- to provide support and follow-up for tenants in difficulty
- to assist with fundraising and advocacy efforts
- to enable the Society to pursue options to expand St. Albert's affordable housing portfolio

The Society states that 40% of the Society's operating budget is achieved through fundraising, other grants, and administrative recovery. Friends is charged for administrative recovery for the operation of the Home Connection Program. The Society also receives funding from Capital Region Housing Corporation for the 6 private landlord supplements it has been allocated.

In 2015 the Society received a \$56,246 grant over two years from the Alberta Community Initiatives Program to help pay for operational costs. This funding source is limited to one grant every three years, to a maximum amount of \$75,000. The Society will be eligible to apply for operational funding through this grant again in 2018.

Summary of St. Albert Housing Society (SAHS) Funding

June-16

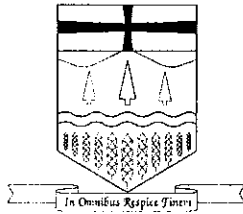
Capital Funding

| Item | Cost | Municipal Funding | AH Grant Funding |
|---|-----------------------|---------------------|-----------------------|
| Land Purchase (C144-2010) | \$1,968,000.00 | | |
| Off-site levies due at subdivision stage (paid by the City as part of the purchase agreement) | \$325,392.16 | | |
| Subtotal | \$2,293,392.16 | \$689,546.56 | \$1,603,845.60 |
| 2010 tax adjustment for land purchase | \$926.01 | \$926.01 | |
| Total Land Cost for Big Lake Pointe | \$2,294,318.17 | \$690,472.57 | \$1,603,845.60 |
| SAHS Shovel Ready Grant (C463-2009) [\$150,000 allocated, \$15,728 returned] | \$134,272.00 | \$134,272.00 | |
| 2011 RFP funding (C425-2011) | \$258,000.00 | | \$258,000.00 |
| Total Funding allocated to Big Lake Pointe | \$2,686,590.17 | \$824,744.57 | \$1,861,845.60 |

Operational Funding

| Year | Cost | Municipal Funding | AH Grant Funding |
|--------------|------------------|-------------------|------------------|
| 2008 | \$45,000 | \$45,000 | |
| 2009 | \$93,500 | \$93,500 | |
| 2010 | \$110,000 | \$110,000 | |
| 2011 | \$110,000 | \$110,000 | |
| 2012 | \$110,000 | \$110,000 | |
| 2013 | \$110,000 | \$110,000 | |
| 2014 | \$110,000 | \$110,000 | |
| 2015 | \$112,090 | \$112,090 | |
| 2016 | \$102,090 | \$102,090 | |
| Total | \$902,680 | \$902,680 | \$0 |

| Total Operational and Capital Funding to SAHS | Total Amount | Municipal Funding | AH Grant Funding |
|---|-----------------------|-----------------------|-----------------------|
| | \$3,589,270.17 | \$1,727,424.57 | \$1,861,845.60 |



CITY COUNCIL INFORMATION REQUEST

NUMBER: IR 391.2015

| | |
|---------------------------|-------------------------|
| REQUESTED BY: | Councillor Wes Brodhead |
| ORIGIN OF REQUEST: | City Council |
| DATE OF REQUEST: | November 16, 2015 |

| | |
|---------------------------|------------------------|
| AUTHOR: | Lory Scott |
| DEPARTMENT: | Planning & Development |
| DATE RESPONSE DUE: | December 16, 2015 |

| | |
|---|---------------------------------------|
| DIRECTOR APPROVAL (if not author): | |
| GENERAL MANAGER APPROVAL: | Gilles Prefontaine, December 24, 2015 |
| CFO APPROVAL (if necessary): | |
| CITY MANAGER APPROVAL: | <i>[Signature]</i> |

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| QUESTION: |
| That Administration review city funding supporting seniors affordable housing to determine the efficiency of funding multiple agencies with similar mandates within the community. Report back to Council by the end of Q1 2016. |

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|--|
| RESPONSE: |
| <p>A review of City funding supporting senior's affordable housing would involve an assessment of both the Sturgeon Foundation and the St. Albert Housing Society's business plans, a comparison of current and planned housing services and supports, potential duplicated efforts, and value for municipal funding provided. This review should also consider the impact of other housing assistance programs provided to seniors in the City.</p> <p>It is important to note that the St. Albert Housing Society and the Sturgeon Foundation operate under significantly different mandates and legislation.</p> <p>The Sturgeon Foundation is a Housing Management Body established under the Alberta Housing Act, acting as the Province's designated regional delivery agent for provincial housing programs and services. The Foundation has the legislated authority and power under this Act to requisition operational funding from member municipalities based on an equalized assessment formula. It is the City's</p> |

responsibility to collect this money from taxpayers on behalf of the Foundation, as mandated through Provincial legislation.

The St. Albert Housing Society is an independent not-for-profit established under the Society's Act by the former members of the St. Albert Affordable Housing Advisory Board. The City has supported the St. Albert Housing Society by providing funding through the Outside Agency Operating Grant process, based on the Community Services Advisory Board's recommendation. The City and the Society's contractual arrangements are based on the Operational Funding Agreement for each annual funding term.

Due to current workloads, it would be preferable if this report could be provided to Council in Q2, 2016.

CONFIDENTIAL:

No

RENTAL ASSISTANCE PROGRAMS IN ST. ALBERT

There are currently five rental assistance programs that provide rental subsidies in St. Albert.

| Program | Service Operator | Funding Source | Client Base |
|---|--|--|---|
| 1. Direct to Tenant Rent Program | Capital Region Housing Corporation | Government of Alberta | Income limits based on family size, assets and belongings cannot exceed \$7,000 |
| 2. Direct to Landlord Rent Program | Capital Region Housing Corporation | Government of Alberta | Private landlords willing to provide a subsidy for tenants |
| 3. Federal Cooperative Housing Program | Liberton Terrace and Heritage Hills Housing Cooperatives | CMHC | Low income cooperative members |
| 4. St. Albert Rental Assistance Program | St. Albert Food Bank and Community Village | Subsidy funding - City of St. Albert affordable housing funding (fixed amount) | Near seniors (60+), seniors (over 65) single parents, and couple families |
| | | Rental Assistance Coordinator – St. Albert United Way Grant | |
| 5. HOMEconnection Program | St. Albert Housing Society | Subsidy – Friends of St. Albert Housing Society | Single parents leaving domestic violence situations (2016 business case) |
| | | Operational funding – St. Albert Housing Society/City of St. Albert/Capital Region Housing Corporation Direct to Landlord subsidy* | |

The Direct Rent Supplement and the Private Landlord Rent Supplement are provincial programs operated through Capital Region Housing Corporation (CRHC), which are governed by the Alberta Rent Supplement Regulation legislation. The St. Albert Housing Society receives 6 private direct to landlord supplements out of the 7 being provided by CRHC in St. Albert. This supplement makes up the difference between the rent charged by the landlord, and 30% of the participant's income. The tenant pays his portion directly to the landlord, with the subsidy amount is paid directly to the landlord from CRHC.

St. Albert's two housing cooperatives are also eligible for rental assistance subsidies for low income residents through the conditions of the mortgage agreement with Canada Mortgage and Housing Corporation (CMHC), through the Federal Cooperative Housing

Program. The Federal Cooperative Housing program ended in 1991; however CMHC's commitments to the program are in effect until the mortgage loans are fully paid.

Under this agreement, the cooperative must house a minimum percentage of assisted households. Low-income cooperative residents receive CMHC administered rent supplements through a separate federal/provincial cost-shared rent supplement program, depending on individual operating agreements. The minimum number of assisted households cannot be less than 15% and no more than 50% of the units.

In addition to the federal and provincial programs, there are also two local rental assistance programs. The St. Albert Rental Assistance Program (RAP) was initiated in 2008 through the City's affordable housing block funding, in response to the gap between housing needs and provincial program availability. St. Albert residents could not obtain rental assistance funding as local needs did not rank as high as other regional needs in the Edmonton area. The Rental Assistance Program addresses this gap. Unless additional funding is received, it is expected that the program will terminate in 2018.

In 2013, the SAHS developed the HOMEconnection Program, through funds raised by the Friends of St. Albert Housing Society, the Society's charitable arm. The HOMEconnection Program provides funding to households who require emergency rental assistance but do not qualify for other programs. The Friends of SAHS raises funds for this purpose as affordable housing is not recognized by Canada Revenue Agency as a charitable objective, and presents a significant barrier when a charitable donation receipt is required for income tax purposes.

DEFINITIONS

Core Housing Need: a nationally established housing standard defined through Canada Mortgage and Housing Corporation (CMHC) as:

A household is said to be in **core housing need** if its housing falls below at least one of the **adequacy, affordability, or suitability standards**, and it would have to spend 30% or more of its total before-tax income to pay the median rent of alternative local housing that is acceptable (meets all three housing standards).

- **Adequate** housing is reported by their residents as not requiring any major repairs.
- **Affordable** dwelling costs are less than 30% of total before-tax household income.
- **Suitable** housing has enough bedrooms for the size and make-up of resident households, according to National Occupancy Standard (NOS) requirements.

If the household's housing meets all of the adequacy, suitability, and affordability standards, OR if its housing does not meet one or more of these standards, but it has sufficient income to obtain alternative local housing that is acceptable (meets all three standards), the household is not in core housing need.

(Note: Regardless of their circumstances, non-family households led by household maintainers 15 to 29 years of age attending school full-time are considered to be in a transitional stage of life and therefore not in core housing need).

Core Need Income Thresholds (CNITs): refers to a measure of before-tax income for social housing eligibility. Households with annual incomes equal to or less than CNIT are said to have insufficient income to afford the on-going costs of suitable and adequate rental units in their area. These values (calculated annually by Canada Mortgage and Housing Corporation (CMHC) in partnership with Alberta Seniors and Community Supports), are based on the household spending a maximum of 30% of their income on housing costs.

2015 CORE NEED INCOME THRESHOLDS - ST. ALBERT

| | Bachelor | 1 bedroom | 2 - Bedroom | 3 - Bedroom | 4 – Bedroom |
|------------------|-----------|-------------|-------------|-------------|-------------|
| 2015 | \$35,000 | \$40,500 | \$51,500 | \$64,500 | \$71,000 |
| 2015 rent | \$875/mo. | \$1,012/mo. | \$1,288/mo. | \$1,612/mo. | \$1,775/mo. |