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Attachments: 1. Previous Motions of Council, 2. RHI Highlight Sheet, 3. RHI Project Scoring Matrix

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Rapid Housing Initiative

Catriona Gunn-Graham, Senior Manager, Community Services
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RECOMMENDATION(S)

Recommendation:

1. That a grant application for the Rapid Housing Initiative (RHI) towards the transitional youth home housing model be approved in principle, including the requirement for a municipal financial contribution towards the project.
2. That Administration return to Council with specific details on the City's application prior to submitting to Canada Mortgage and Housing Corporation for funding consideration.

PURPOSE OF REPORT

The purpose of this report is to inform Council about the Rapid Housing Initiative (RHI) funding opportunity, and to seek direction and commitment from Council on this initiative.

ALIGNMENT TO PRIORITIES IN COUNCIL'S STRATEGIC PLAN

2020-2021 Corporate Business Plan:

Strategic Priority #5: Housing and Social Well-being - Enhance housing options and social supports

- Explore interim housing options to support vulnerable populations.
- To explore options for an enhanced, integrated, and coordinated network of social services to

meet the basic needs of residents and address emerging trends and issues.

ALIGNMENT TO LEVELS OF SERVICE DELIVERY

2019 Service Level Inventory

- Land Use Planning - Strategic Land Planning: Development, management and implementation of corporate land strategy. Search for land for new capital projects, high school sites, and affordable housing locations.

ALIGNMENT TO COUNCIL DIRECTION OR MANDATORY STATUTORY PROVISION

On August 17, 2020 Council passed the following motions:

(CB-20-053)

That the City of St. Albert's Mayor's Task Force to End Homelessness Final Report, dated June 1, 2020, be received for information.

That a **Capital Project Charter**, along with future operating impacts, be developed and added to the 2021-2030 Growth Capital Plan, to be considered as part of the 2021 budget process for the construction and operation of a new youth transitional home, using an advocacy model, as per the Mayor's Task Force to End Homelessness recommendations.

That the Mayor's Task Force continue to support and advocate the coordination of homelessness prevention strategies among local, regional, provincial, and national organizations, as well as the public and private sectors.

That an Operating Business Case be developed to be considered as part of the 2021 budget process for a Social Housing Coordinator position, to advance the social housing needs of all vulnerable groups in St. Albert, as per the recommendations of the Mayor's Task Force to End Homelessness.

On January 6, 2020 Council approved motions regarding the City's role in delivering affordable and accessible housing. Refer to the attachment entitled "*Previous Motions of Council*".

BACKGROUND AND DISCUSSION

The COVID-19 pandemic has worsened an already dire situation for housing affordability and homelessness in vulnerable communities across Canada. Like other municipalities, St. Albert is experiencing mounting pressure to address complex social issues amplified by COVID-19. In 2019, the St. Albert Food Bank and Community Village reported 167 unique individuals who experienced periods of episodic homelessness. At the end of August 2020, there were 86 homeless persons reported in 2020 to date.

The Government of Canada, has recently announced the Rapid Housing Initiative (RHI), allocating one billion dollars to address the urgent housing needs of vulnerable Canadians through the rapid construction of affordable housing. This program is targeted towards the creation of 3,000 new permanent affordable housing units, specifically for vulnerable people experiencing severe housing needs, at risk of or experiencing homelessness, or living in temporary shelters because of the COVID

-19 pandemic. Funding will be delivered through two streams, each with a \$500 million budget:

1. *“Major Cities Stream”* funds will be expedited to pre-identified municipalities with the highest level of renters in severe housing need and people experiencing homelessness. In Alberta, Edmonton and Calgary will receive \$17.2 million and \$24.6 million respectively through this funding stream.
2. *“Projects Stream”* is an application-based process, open to Provinces, territories, municipalities, Indigenous governing bodies and organizations, and non-profit organizations across Canada. The *“Projects Stream”* provides a key opportunity for the City to apply for funding towards the youth transitional home, currently being considered through the 2021 Capital Project Charter, subject to the RHI program’s specific requirements, which include:
 - Projects must have a minimum contribution request of \$1 million. While the RHI program indicates that funding could be provided up to 100% of project costs, projects requesting this amount would not receive a point score in this category.
 - Projects must be completed and be ready for occupancy within 12 months of funding approval.
 - Projects must be delivered through prefabricated modular construction methods, or through the acquisition and conversion of a non-residential building to an affordable rental project.
 - Projects must provide permanent housing with long-term tenancy of 3 months or more for the 20 year minimum affordability term.
 - Projects must be financially viable and provide confirmation of secured operational funding to cover the ongoing monthly operating and programming expenses.
 - Financial cost sharing/support is a specific requirement of the grant program from another level of government (provincial, municipal). Suggested cost sharing methods include but are not limited to:
 - grants,
 - financial contributions,
 - concessions on property taxes and/or concessions on levies,
 - waiver of development cost charges or other provincial/municipal fees,
 - waiver of community amenity contributions,
 - land donation,

The expedited nature of this program requires the City to submit a funding application by December 31, 2020, with the expectation that funded projects would have an agreement in place by March 31, 2021. Projects must be ready for occupancy 12 months later. The completion requirement of 12 months would not enable larger scale projects requiring detailed design processes and underground building components such as parkades to be developed within these timeframes.

Refer to the attachment entitled; *“Rapid Housing Initiative Scoring Matrix”* for additional information on the grant application scoring system.

Grant Alignment

The RHI funding opportunity is in alignment with municipal goals and priorities identified through the Mayor’s Task Force to End Homelessness and would enable the City to coordinate and leverage resources to address complex social issues in an expedited fashion. As a one-time financial resource (driven by COVID-19), grant funding will be provided directly to municipalities and not-for-profits, effectively bypassing traditional funding delivery methods through individual provinces.

The City will be competing with applicants from across Canada who may have housing initiatives underway, enabling a quick response to this initiative, including municipalities that are also eligible for the major cities direct funding stream.

Council has identified that the City would be open to providing one-time capital grants or land donations without providing ongoing operational funding through motion CB-19-041; however, secured operational funding is a key consideration within the grant application criteria. While partnerships will be sought with potential operating agencies, municipal capital contributions and assurances of operational funding sources are a key requirement to enable the project application to receive a higher score to be considered for funding.

Resource Implications

Administration will undertake a detailed investigation of the grant requirements in consultation with modular housing providers in order to provide an informed estimate of project development costs. Decisions related to capital funding requirements, procurement processes, site locations, and operational partnerships will return to Council for approval prior to an application being submitted by December 31, 2020.

As the City does not wish to own or operate housing, partnerships will need to be established with experienced agencies in the community and the Edmonton region, within the required grant application time-frame of December 31, 2020. While a partnership with the Province would be desired, it is unclear whether there will be enough time to negotiate this before the application deadline.

STAKEHOLDER COMMUNICATIONS OR ENGAGEMENT

N/A at this time. Future engagement and consultation would be required.

IMPLICATIONS OF RECOMMENDATION(S)

Financial:

Administration will investigate opportunities for municipal commitments that could be provided without significant cost implications to the City's municipal budget, considering the equivalent value of municipal resources dedicated towards the grant application.

Partnerships for operational costs are being explored.

Legal / Risk:

Risks: As the applicant we are committing to the capital and operational costs.

Program or Service:

The RHI grant opportunity addresses Council's strategic and corporate priorities to enhance housing options and social supports. Vulnerable groups would have access to services and supports that are currently not available without leaving St. Albert.

Organizational:

Application and project outcome timelines are tight. The effort to complete the required documentation will require dedicated resources from several departments and if approved, continued support will be needed. Other priorities would be delayed during the application phase.

Traditional procurement processes (RFP) will be a challenge given project outcomes to have housing built and occupied within 12 months.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 - Do not submit an application.

Not responding to this grant opportunity would provide Administration with the time to develop a clear plan, establish partnerships, and pursue funding to support the intended direction of the Youth Supportive Housing model. The City may miss the one-time opportunity to access at least \$1M in capital funding.

The City undertakes the risk that the Federal Government may not provide a similar grant funding opportunity in future years.

Report Date: November 16, 2020

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Committee/Department: Community Services / Planning and Development

Deputy Chief Administrative Officer: Kerry Hilts

Chief Administrative Officer: Kevin Scoble