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Presented by: Lory Scott, Affordable Housing Liaison Officer, Planning & Development Department

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Housing Affordability & Accessibility Project Update

Presented by: Lory Scott, Affordable Housing Liaison Officer, Planning & Development Department

RECOMMENDATION(S)

That the Community Living Standing Committee recommend to Council that the Housing Affordability and Accessibility Implementation Plan, and the required associated funding model, provided as an Attachment to the June 9, 2020 agenda report entitled "Housing Diversity and Accessibility Implementation Plan" be approved.

PURPOSE OF REPORT

This report is being provided as part of the Corporate Business Plan 2018 - 2021 actions needed to execute Council's Strategic Priority #5, specifically to work with regional partners to explore the creation of additional housing options to address issues of affordability and accessibility and review best practices for alternative financing.

ALIGNMENT TO COUNCIL STRATEGIC PRIORITY

Strategic Priority #5: Housing: Enhance Housing Options

Facilitate an increase in the variety of housing types in St. Albert to respond to market demands and accommodate the diverse needs of residents.

2018 - 2021 Corporate Business Plan Activity

5.3: Work with regional partners to explore the creation of additional housing options to address issues of affordability and accessibility and review best practices for alternative financing.

ALIGNMENT TO SERVICE DELIVERY

N/A

ALIGNMENT TO COUNCIL (OR COMMITTEE) DIRECTION OR MANDATORY STATUTORY PROVISION

On January 6, 2020 Council passed the following motions:

(CB-19-041)

That Administration is directed to present housing affordability and accessibility recommendations to the Community Living Standing Committee or to Council by June 15, 2020, consistent with Option 3 in the Housing Governance Models report, based on the criteria that:

- a. the City's involvement in promoting affordable and accessible housing will not duplicate areas of responsibility of the senior levels of government but rather will focus on strategic planning and co-ordination of affordable and accessible housing initiatives with municipal goals and priorities;
- b. municipal resources and investments in affordable and accessible housing will be utilized to expand the non-market housing supply and to leverage operational funding from, and partnerships with, non-municipal sources; and
- c. the City's Affordable Housing Strategy will clearly emphasize the City's role in: being open to proposals from a wide range of community partners in increasing affordable housing opportunities in St. Albert; and being open to providing one-time capital grants or land donations or long-term land lease options without providing ongoing operational funding.

BACKGROUND AND DISCUSSION

The Housing Affordability and Accessibility Implementation Plan has been developed based on Council's governance direction provided on January 6, 2020, and best practices research into methods used in other Canadian municipalities to improve housing affordability and accessibility. Council received the Housing Affordability and Accessibility Best Practices Summary as information on July 8, 2019.

The Housing Affordability and Accessibility Implementation Plan ("The Plan") is based on five primary

objectives to guide the City's actions to improve the housing supply:

- 1 - Implement a Housing Incentive Investment Program
- 2 - Establish Housing Targets and Performance Measures
- 3 - Implement Best Practices for Alternative Financing
- 4 - Improve Housing Choice
- 5 - Align Housing Policy with Corporate Direction

Objective #1 - Implement a Housing Incentive Investment Program

The Housing Incentive Investment Program is the primary objective of the Implementation Plan, and is needed to augment development of the City's housing supply in areas that are not met by the private market. This Program will enable the City to effectively support partner organizations through the allocation of funding and other resources to foster development in targeted gap areas and improve outcomes for low and moderate-income residents. The Housing Incentive Investment Program's proposed funding model indicates a strong leadership commitment towards housing, necessary to capture additional funding from other levels of government and community partners as a leverage strategy.

Objective #2 - Establish Housing Targets and Performance Measures

One key goal within the Housing Incentive Investment Program is to establish housing targets and performance measures in alignment with the fiscal resources available to accomplish them.

The City will develop housing targets through the Housing Incentive Investment Program's proposed funding model, in conjunction with actions to address the percentage of households that fall within the City's mandate to address. Performance measures will target new housing stock created over an established period of time, identifying the health of the housing market, and improvements to vacancy and ownership rates. Inconsistent and sporadic funding allocated to the Housing Incentive Investment Program would restrict the City's ability develop and meet performance targets.

Administration is proposing the following allocation divisions of capital and program funding associated with housing targets and performance measures across the housing continuum:

- 40% - Social housing programs to assist with housing stability and affordability for vulnerable populations.
- 50% - Capital housing investments to assist with reducing housing development costs (community housing, affordable rental, attainable home ownership, and accessible housing initiatives), and leveraging additional funding from other sources.
- 10% - Affordable housing preservation funding to assist with regeneration and preservation of existing affordable housing units.

Objective #3 - Implement Best Practices for Alternative Financing

Alternative financing strategies require a level of competency and familiarity with the financial markets in order to develop financial instruments that align with regulatory requirements and attract investors. As the City does not intend on owning or developing housing on its own accord, the most beneficial way the City could contribute alternative financing would be to implement programs that

could provide a benefit to all housing stakeholders. The City would have the option to underwrite loans to housing partners; however, it would impact the City's credit limit and borrowing capacity.

Energy Saving Performance Contract approaches could assist housing operators with the costs of capital improvements that could be repaid from realized energy cost savings. This strategy could be implemented if City created a municipal energy service company.

The simplest and most direct way the City can support affordable housing development is to have funding, land, and other resources available to respond to grant and partnership opportunities.

Objective #4 - Improve Housing Choice

In response to Council's direction for improved housing diversity and accessibility, a review of alternative housing and development options is being undertaken in consultation with the development industry. Administration will be presenting these options to the Community Growth and Infrastructure Standing Committee on June 9, 2020 for feedback and direction on future implementation.

Flourish, the City's new Municipal Development Plan (MDP) will provide the basis for new policy direction to enable new housing development opportunities when approved. To ensure that St. Albert's Land Use Districts align with the newly approved policies, a comprehensive review of all land use districts within the Land Use Bylaw will be required, subject to the approval of the capital budget to accomplish this.

Objective #5 - Align Housing Policy with Corporate Direction

Corporate policies currently guide municipal actions impacting land development and sustainability measures. The recommendations aligning with this objective identify actions with regards to advocacy direction, policy implementation, accessibility, and process improvements.

St. Albert's Affordable Housing Strategy is 15 years old, and no longer reflects the City's mandate for housing. The broader political context has also shifted, and should be reflected in future updates to the City's housing strategy, also consolidating approaches within other housing plans approved by Council.

STAKEHOLDER COMMUNICATIONS OR ENGAGEMENT

Administration has gathered information from the 2019 Community Satisfaction Survey to gauge the public's opinion and perception about housing and related service supports. The survey will also establish a baseline to determine whether progress has been made to adjust public opinion in future years. Currently, two thirds of respondents felt that it was important for the City to have a range of housing options and services to address the gap between rents, housing prices, and income levels.

This report has been distributed to the Project Plan 5.3 Steering Committee for comments and feedback and has been informed by MDP consultation direction.

IMPLICATIONS OF RECOMMENDATION(S)

The City will be taking significant steps to address housing affordability and accessibility through adoption of the Housing Affordability and Accessibility Implementation Plan (The Plan). Should the

City choose not to adopt “The Plan”, and demonstrate leadership in affordable housing, St. Albert will be less able to compete with other municipalities in Alberta and Canada for needed federal and provincial funding dollars, and needs will continue to rise.

Adoption of “The Plan” will improve the City’s ability to support housing for the local workforce which may attract new businesses to St. Albert.

Financial:

The Housing Affordability and Accessibility Implementation Plan proposes an annual investment into the Housing Incentive Investment Program, at an amount equal to \$4 per citizen as per the most recent Census data, to be funded from taxes starting in the 2021 budget year. This fund would be administered by Administration.

Legal / Risk:

None at this time.

Program or Service:

None at this time.

Organizational:

The Housing and Affordability and Accessibility Implementation Plan will enable the City to effectively support partner organizations through allocation of funding and other resources to foster housing development in targeted gap areas, and to foster better outcomes for low and moderate-income residents through collaboration with housing partners.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

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

Alternative 1: Receive the Housing Affordability and Accessibility Implementation Plan as information. No further work will occur with regards to plan implementation without further direction from Council.

Alternative 2: Approve specific goals and actions within the Housing Affordability and Accessibility Implementation Plan and direct Administration amend “*The Plan*” and future actions to reflect Council’s direction.

Report Date: June 9, 2020
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