



## Legislation Text

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**TAMRMS#:** B06

### **Affordable Housing Grant Funding Reallocation**

Presented by: Lory Scott, Affordable Housing Liaison

### **RECOMMENDATION(S)**

That \$105,264 from the Affordable Housing Grant funding be reallocated to the Rental Assistance Program, including all remaining interest and any related reimbursements due to the original program funds.

### **PURPOSE OF REPORT**

The purpose of this report is to obtain Council direction for the reallocation of the remaining provincial affordable housing funding allocated to the City between 2007 and 2010.

### **COUNCIL DIRECTION**

Between the years of 2007 - 2012 Council passed a number of motions related to the allocation of the provincial affordable housing grant funding; see the attachment entitled "Affordable Housing Grant Funding Motions".

### **BACKGROUND AND DISCUSSION**

The City received \$5,419,207 towards affordable housing initiatives from the Province of Alberta between the years of 2007 and 2010 to address the lack of affordable housing options in St. Albert. This funding was utilized to directly support the development of 129 affordable housing units, and to provide temporary rental assistance subsidies to 342 households through the Rental Assistance Program (RAP). The Provincial funding was a fixed amount that ended after 2010. The city is looking at a funding shortfall as soon as 2018 for the Rental Assistance Program.

In addition to the provincial funding described above, the Sturgeon Foundation received \$15.9 million from the Province to develop 90 affordable seniors housing units at North Ridge Place, in two phases. Another \$6.8 million was contributed by the Province towards 78 affordable housing units in Big Lake Pointe, a joint project between the St. Albert Housing Society and Big Point Developments. The land for this project was purchased by the City through municipal contributions and use of the City's provincial affordable housing funding. The value of the City's investment was transferred to the St. Albert Housing Society's ownership of 15 units in the development. Refer to the attachment entitled "Affordable Housing Grant Program Funding Summary".

Based upon Provincial stipulations, affordable housing grant funds can be utilized to support initiatives that include:

1. Construction of new units;

2. Purchase/renovation of existing rental accommodation units;
3. Development of secondary suites in private dwellings as Affordable Housing;
4. Rent supplements; or,
5. Other priorities as identified by the Municipality.

The agreement between the Province and the City also stipulates limitations on the use of funds, and does not permit the allocation of funds towards an organization's operational costs.

The remaining affordable housing funding from the Provincial grant is from the following sources:

<u>Program Source</u>	<u>Amount</u>
Basement Suite Grant Program	\$60,992
Administration	\$19,272
<u>Big Lake Pointe</u>	<u>\$25,000</u>
Total	\$105,264

#### Basement Suite Grant Program

The Basement Suite Grant Program provided a grant to individual homeowners to develop a legal suite in the basement of a single-family home, resulting in the development of 80 affordable basement suites. Homeowners were required to pay a pro-rated portion of the grant back, should they choose to sell their home or opt out of the Program prior to the end of the five-year agreement. Refer to the attachment entitled "Basement Suite Grant Program Statistics".

There is \$60,992 remaining in unallocated funds from the Basement Suite Grant Program through property sales and earned grant interest. The amount of funding remaining would enable the development of four additional basement suites. Should Council wish to continue allocating the remaining funds towards the Basement Suite Grant Program, it is recommended that the allocation model be re-evaluated, as the remaining 47-person waiting list is up to five years old. As funds have become available for reallocation, Administration has contacted interested applicants on a first-come, first served basis. This has resulted in the allocation of 4 grants out of the 22 persons contacted, the last in January 2017.

#### Administration Costs

The City was entitled to allocate 1.5% of the provincial grant amount towards administration costs, of which there is \$19,272 remaining. Administration is recommending that these funds be redirected to the Rental Assistance Program.

#### Big Lake Pointe

The \$25,000 remaining from Big Lake Pointe is from the architectural control security deposit that was returned to the City when the land was transferred to the developer for the project. This money is available for re-allocation.

#### Rationale for Recommendation

Based upon the ongoing need for Rental Assistance Program (RAP), funding within this program will be depleted by mid-2018 unless further funds become available. As such, the St. Albert Strategy and Mobilization (SAM) Committee through Community and Social Development (CSD), has recommended that remaining provincial affordable housing grant funds contained within the Basement Suite Grant Program, Administration, and Big Lake Pointe be re-allocated to the St. Albert

## Rental Assistance Program (RAP).

Administration has met internally with Planning and Development, CSD, and Intergovernmental Affairs to discuss the reallocation of funds, and has also recommended that the remaining funding be re-allocated to the Rental Assistance Program, as it is the highest emerging need. The additional funding would extend the RAP temporarily for another 8 - 12 months based upon current subscription levels. There is \$91,000 remaining in RAP funds, of which approximately \$20,000 is allocated towards current program participants.

From 2008 - 2017 RAP has assisted 342 households with a temporary subsidy to bridge the gap between income earned, and the amount of income spent on rental costs. Households received an average subsidy of \$3,426 over the term of their contract. RAP provides a maximum subsidy of \$400/month plus an additional \$50/month provided per child under the age of 18, to the maximum of three children. Operational costs for the program were funded out of an annual grant from United Way.

Refer to the attachment entitled: "Rental Assistance Program Statistics".

The Rental Assistance Program will end after the remaining funding is expended in January or February 2019, assuming average subscription levels. If Council approves the recommended motion, the additional funding would extend the Rental Assistance program for approximately one more year. While the City is actively advocating for continued funding from federal and provincial sources, the Province is also facing demands from other regional rental assistance programs. Capital Region Housing Corporation has reported that there are over 5,000 people on their waiting list for affordable housing and Provincial rent subsidies. Provincial rent subsidies are also provided to the Housing First Program operated by Homeward Trust in Edmonton. St. Albert's request for further funding may not rank sufficiently high enough considering other regional and provincial demands.

## **STAKEHOLDER COMMUNICATIONS OR ENGAGEMENT**

The Strategy and Mobilization Committee (SAM) is aware that the RAP program has proven vital to helping people stay housed and they are hopeful that a sustainable funding source will be sought by the appropriate parties, and can provide their support as needed. SAM has provided a letter recommending the allocation of the remaining funding to the Rental Assistance Program. Refer to the attachment entitled "Strategy and Mobilization Committee Recommendation".

The internal administrative committee consisting of Planning and Development, CSD, and Intergovernmental Affairs has agreed with this recommendation.

## **IMPLICATIONS OF RECOMMENDATION(S)**

Should Council approve the reallocation of the affordable housing grant funding to the Rental Assistance Program, the funding would provide temporary assistance for 30 +/- families for a six to twelve-month term, depending on the family's situation.

Administration has provided other allocation options for Council's consideration in later sections of this report.

## Financial:

The Rental Assistance Program is not sustainable without a consistent source of funding, and will risk permanent termination unless a sustainable funding source is found to continue it.

Legal / Risk:

Council must take steps necessary to ensure that the expenditure of the Affordable Housing Grant funds meets provincial requirements. Ultimately, the City is responsible and must account to the Province with respect to how the Grant funds are utilized. The Grant funds may be used only for the purposes of the approved Affordable Housing Program. The operative funding agreement imposes stringent accountability, reporting and monitoring requirements on the municipality.

Providing funds to a third-party agency such as the St. Albert Food Bank (operator of the RAP) does not relieve the City of its obligations to account and report to the Province. Any grant given to external organizations will be subject to an agreement with the recipient(s) such that the City may ensure that the expenditure of the funds is in accordance with the approved Affordable Housing Programs.

Program or Service:

The Rental Assistance Program is one of the tools that can temporarily reduce the incidence of poverty, by aligning the amount spent on housing costs to recommended levels. The Program also removes a systemic barrier that prevents residents from accessing housing supports.

Organizational:

None at this time.

## **ALTERNATIVES AND IMPLICATIONS CONSIDERED**

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

Alternative 1: Allocate the security deposit amount to the St. Albert Housing Society (SAHS).

The returned \$25,000 security deposit was initially allocated towards the land purchase for Big Lake Pointe, and could be redirected towards the Society's purchase cost of 10 additional units in Big Lake Pointe, reducing their mortgage amount. The Provincial funding must be used towards housing initiatives, and cannot be utilized to fund the Society's operational costs.

Alternative 2: Contribute the remaining funding to a housing organization to purchase land for a future affordable housing development. Municipal contributions towards affordable housing is in alignment with City Council Policy C-P&E-06, Affordable Housing, strategically contributing municipal resources to incent affordable housing development and delivery.

Two options could be pursued:

- a) Homeland Housing has indicated its interest in developing an affordable housing project in St. Albert. They are currently requesting that municipal land be provided towards this initiative, however choices are limited, and do not align in size or location with Homeland's development goals. While the total funding amount is a small contribution towards the total land cost, it would be considered as a municipal contribution towards the project, which would also depend on

receiving Provincial grant funding to be constructed.

Refer to the attachment entitled: Sturgeon Foundation land request

- b) Habitat for Humanity will be evaluating future development options in St. Albert in 2018, as the funds paid by St. Albert Habitat homeowners have gathered sufficient value to contribute to the development of another duplex. The City's contribution towards the land cost would align with Habitat's contribution model, requiring contributions from various sources including the public, municipalities, the business community, and the Provincial government. As more Habitat homes are built, the revolving fund's annual contribution amounts will increase, compounding the amount returned towards future St. Albert Habitat homes.

Alternative 3: Continue the Basement Suite Grant Program with the remaining funding (\$60,992) allocated to it, and reallocate the remaining portion (\$44,272) to the Rental Assistance Program.

## **STRATEGIC CONNECTIONS**

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

**SOCIAL** - We are a friendly and inclusive community of passionate equals, where everyone feels a sense of belonging.

We believe in the strength of our neighbourhoods, ensuring that there is a diverse range of housing and transportation options available to all.

### Strategies include:

- Encourage the development of a diversity of housing options through advocacy and partnership with relevant stakeholders, not-for-profits, for-profit and government entities.

We believe in creating the best for one another, valuing our community connections by supporting and engaging neighbourhoods, institutions and organizations that work to improve life in our community.

### Strategies include:

- Develop a community-wide Poverty Reduction Strategy to define the barriers that exist in achieving financial sustainability within the community.
- Advocate for changes to systemic barriers that prevent residents from access to mental health, addictions and housing supports.

### 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:

Objective - Facilitate the development of affordable and special needs housing.

Housing Partnerships - Work with non-profit groups, developers and other agencies and groups to substantially increase the long-term supply of affordable housing, particularly for young families, seniors, and special needs groups.

Social Master Plan - Diversity and Inclusion:

St. Albert is a community where all residents have a place to live.

- Advocate for sustainable funding for housing and homelessness initiatives.
- Advocate for a coordinated continuum of housing options.

Social Master Plan - Social Responsibility and Engagement

- Define the barriers community members face to achieving financial stability.
- Explore options for ensuring residents have access to emergency housing.

c) Corporate Objectives

- Deliver programs and services that meet or exceed our standards
- Exercise strong fiscal management

d) Council Policies

- Affordable Housing C-P&E-06

e) Other Plans or Initiatives

- Housing Diversity Action Plan
- Affordable Housing Delivery Model

Report Date: August 28, 2017

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