

## ADMINISTRATIVE REPORT

<b>TO:</b> Horacio Galanti, City Manager	<b>DATE:</b> March 16, 2021
<b>FROM:</b> Chris Manuel Protective and Social Services	<b>MEETING:</b> Protective and Social Services Committee
<b>SUBJECT:</b> 2021 – 2022 Affordable Housing Action Plan	

### RECOMMENDATIONS

That Committee recommend Council adopt the 2021 – 2022 Affordable Housing Action Plan as presented.

### PREVIOUS COUNCIL / COMMITTEE DIRECTIONS

At the November 12, 2020 Council Committee of the Whole meeting the following motion was passed:

“Committee direct Administration to consult the Grande Spirit Foundation on the impacts of reduced provincial funding to the Rent Supplement Program and report back to the appropriate Standing Committee what mitigation strategies may exist.”

At the October 13, 2020 Protective & Social Services Committee the following motion was passed:

“Committee refer the presentation on Affordable Housing from the Chamber of Commerce to Administration for a report back to the appropriate Standing Committee.”

### BACKGROUND

#### **City Administration**

Over the past two years significant work has been completed on the Affordable Housing Portfolio. This includes completion of a detailed Housing Needs Assessment and Draft Affordable Housing Strategy. These documents were intended to identify and improve both the current state and future needs of Affordable Housing in the City.

## Grande Spirit Foundation

The Grande Spirit Foundation (GSF) is our community's designated Housing Management Body and as such they provide housing services for low-income families and individuals through a variety of programs. Two heavily subscribed programs include:

1. The Private Landlord Rent Supplement Program - A provincially funded program which allows families and individuals to rent from a private landlord. Rent is based on 30% of household income. Landlords receive monthly subsidy payments based on the difference between tenants calculated rent and the market rent for the unit.
2. The Direct Rent Supplement Assistance Program - A provincially funded program which allows families and individuals to remain in their current private rental. Rent is based on 30% of household income. Monthly rent subsidy is paid directly to the tenant.

Eligibility for these programs are based on annual income, housing need, level of assets and ability to pay rent.

Alberta Budget 2019 initiated a review of the Ministry Seniors and Housing's rent supplement programs, the review remains underway, in the meantime, GSF has been notified that their rent subsidy funding from the Province would be scaled back 25% from \$3,000,000.00 to \$2,250,000.00 annually.

The current waitlist at GSF for social housing units is around 250 applicants, however, this is likely under-reported as new applications have not been permitted since the provincial review was initiated.

## Grande Prairie Chamber of Commerce

The Chamber of Commerce has requested that the City of Grande Prairie implement a program to financially support Public-Private Partnerships (P3) to build multi-family housing in Grande Prairie. The proposal involves the City utilizing debt financing to secure up to 30-50% of a building's units for affordable housing use for a period of 10-20 years. The City would provide a large lump sum payment at the beginning of the term and then be charged 30% below market monthly over the remaining term.

<h2>ANALYSIS</h2>
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The global COVID-19 pandemic and associated economic downturn were unforeseen circumstances not previously accounted for in the Housing Needs Assessment or the Draft Affordable Housing Strategy. Resulting impacts are not yet completely known but there has been an increase in unemployment, homelessness, and rental vacancy within the City. This change in circumstance has led Administration to pause the implementation of the Affordable Housing Strategy in its current form and pivot to target our available funding toward existing affordable housing programs or projects.

## **2021 – 2022 Affordable Housing Action Plan**

The proposed action plan is intended to provide immediate support to struggling residents, leverage existing assets, seize funding opportunities, and prepare for the future. The actions include:

### **Action 1: Rental Supplement Programs for a limited two-year term**

Grande Spirit Foundation

Cost: \$650,000 in 2021 and \$650,000 in 2022 (Source: Capital Tax)

This is the fastest means to aid those requiring housing assistance. The infrastructure is in place, need is demonstrated, clients can remain in their existing homes or relocate at their own discretion. It is anticipated that a National Housing Benefit agreement will be signed between the Provincial and Federal governments during the limited term. Administration anticipates this agreement will restore or enhance the allocation of funds available for rent subsidy.

### **Action 2: Completion of Land Studies required to fully develop City owned Smith Lands**

City of Grande Prairie

Cost: Up to \$100,000 (Source: Public Housing Reserve)

The City will complete the Geotechnical, Traffic Impact and Environmental assessments required to further develop the Smith Lands. These studies will be shared with the Grande Sprit Foundation to permit completion of development plans and business cases.

### **Action 3: Seed Funding for a Continuing Care project**

City of Grande Prairie /Grande Spirit Foundation

Cost: Up to \$150,000 (Source: Public Housing Reserve)

The City of Grande Prairie has an estimated deficit of over 150 continuing care beds. The Provincial Budget (2021) includes \$500,000,000 in capital funding over three years to create more spaces.

### **Action 4: Transfer of Social Housing Units to Grande Spirit Foundation**

Grande Spirit Foundation

Estimated Value: \$2,800,000

The City of Grande Prairie owns nineteen (19) social housing homes. The homes are free of debt and are already managed by the Grande Spirit Foundation.

Administration recommends transferring title (subject to conditions) of these homes to GSF so they can be leveraged to fund new or more appropriate accommodations.

### **Action 5: Consulting Services to private and non-government organizations**

City of Grande Prairie

City administration will share our internal knowledge regarding Affordable Housing and the various funding streams (municipal, provincial, and federal) available to proponents of potential projects. Where possible we will assist with navigating the complexities of the various processes.

## **Action 6: Revised Housing Needs Assessment and Affordable Housing Strategy**

City of Grande Prairie

Cost: TBD

Following the tabulation of the 2021 Federal Census, Administration will have more accurate information as to the current state of housing need in the City. At that time the impacts associated to the pandemic and economy should be clearer.

### **Alternatives:**

Administration has received submissions and feedback from several parties interested in Affordable Housing. This information has been invaluable in identifying some of the challenges and opportunities that exist in this portfolio.

The projects proposed to date include homeowner assistance grants, purchase of private buildings, City leasing of market units and per door incentives for new development. Administration is keen to further explore many of these ideas and would support advancing some forward if future budget permits. Economic stimulus initiatives may represent such an opportunity.

### **Relationship to City Council's Focus Areas / Strategic Directions**

The following Result Definition is applicable to this issue:

Acts as a catalyst for the provision of affordable and supportive housing alternatives that meets The demands of the community.

### **Environmental Impact**

There are no environmental impacts associated with this report.

### **Economic Impact**

Economic impacts will vary depending on approach.

### **Social Impact**

Supporting affordable housing can have a range of positive social benefits for the community, such as poverty alleviation.

### **Relevant Statutes / Master Plans / City Documents**

There are no relevant statutes associated with this report.

### **Risk**

If individuals and families can't afford their homes, they will be challenged to meet other basic needs. This may result in greater utilization of other social and health programs such as community kitchens, shelters etc.

## **STAKEHOLDER ENGAGEMENT**

Over the past couple of years extensive stakeholder engagement has been conducted. This has included property managers, developers, residents, non-profits, Grande Spirit Foundation, and others.

## **BUDGET / FINANCIAL IMPLICATIONS**

The action plan is forecasted to cost \$900,000 in 2021 and \$650,000 in 2022. These funds are recognized within our existing budget or budget forecast.

## **SUMMARY / CONCLUSION**

The Affordable Housing Action Plan will provide immediate support to struggling residents, leverage existing assets, seize funding opportunities, and prepare for the future.

Adopting a long-term multi-faceted strategy is still necessary and will be a focus for Administration over the next two years.

## **ATTACHMENTS**

N/A