

## **Affordable Housing Task Force Report to Council**

### **Issue**

Forces working against housing affordability in Okotoks are increasingly widening an already existing gap between affordable home ownership or rental, and the people who live in, or want to live in, Okotoks, Alberta.

### **Recommendations Proposed by the Affordable Housing Task Force**

Today we come before Council, having acquired more knowledge and understanding, and while the Task Force believes we still have a great deal of work to do over the next couple of years in order to create a comprehensive strategy for housing affordability in Okotoks, we must strongly urge Council to move forward on these three action items:

- 1) Enable the provision of more rental units through Secondary or Backyard Suites;
- 2) Create a tracking and monitoring system that quantifies the need, supply, and gaps; and
- 3) Secure land opportunities for affordable housing.

### **Report, Analysis, Timelines, Next Steps**

An in-person presentation will accompany the following narrative:

The Affordable Housing Task Force (Task Force) was convened in April 2018 to assess the emerging issue of housing affordability, and/or affordable housing in Okotoks. The Task Force first began meeting in April of this year and by June 25 were able to inform Council, *“The Town of Okotoks has a housing affordability issue. [That] not all people living in Okotoks can afford a home; whether they choose to rent or buy”*, June 25, 2018 the Task Force report to Council.

The Task Force’s on-going examination of the affordable housing circumstances in Okotoks and area has been informed by:

- Review of the Town of Okotoks Strategic Plan presented by Elaine Vincent, CAO;
- Overview of Affordable Housing from Canada Mortgage and Housing Corporation (CMHC) specialist, Nolan Crouse – included a working session component on statistical data resources from CMHC & Statistics Canada websites;
- Educational presentation from senior planner Amanda Brinda regarding Land Use Bylaw policy on Studio Suites;
- Community design presentation from Jamie Dugdale, Okotoks Planning Services Manager, outlining the shift of product offerings available in the new D’Arcy Development relative to past developments;
- Review of current surveys (Seniors & Downtown Association Employment Questionnaire) with Debbie Posey, Okotoks Community Wellness Manager;
- Affordable Housing fundamentals and Calgary Region context presentation by Sarah Woodgate, Director of Calgary Housing, City of Calgary;

- Meta-analysis review of Okotoks Housing Inventory compiled by Town staff and the Task Force Chair, Shawn Rose; and
- Mixed Studies Review of affordable housing strategy literature from dozens of municipalities in North America to develop an understanding of common principles, strategies, and methodologies being utilized.

Utilizing Statistics Canada 2016 survey data, the Canadian Rental Housing Index, as well as mortgage calculators of Canadian financial institutions we can highlight the affordability need with the following key metrics:

- Rents and utilities in Okotoks are 24% higher than the provincial average, and renters in Okotoks spend proportionally 3% more relative to income.
- 45% of Okotoks renters are spending greater than 30% of their income on rent and utilities - a standard market affordability benchmark. This is 9% higher than the provincial average, and 19% of those are spending over 50% of their income. This translates to:
  - An urgent short-term need for 294 affordable rental housing units (that addresses only the 19%);
  - An overall need for 689 total market or subsidized units based on over-spending data related to the 45% of Okotoks renters. These units would need to see rental price accommodation drop by 18% (market and subsidy).
- The average single family home in Okotoks is assessed at \$463,704; and with 5.0% down the household income required to qualify, with **NO** other household debt accounted for, is \$100,000/year. The average income of an Okotoks household in 2017 was \$79,672/yr.
- In January 2018, new mortgage rule changes implemented by the federal government through Bill 20 reduced home buyer purchasing power by more than 25%.

In an already difficult economic market where sales are down, interest rates are rising due to positive indicators in other parts of Canada and the United States, and construction costs are rising due to strong commodity demand in the United States, the lack of supply for affordable rental or ownership only becomes greater. To this end, the Task Force believes we still have a great deal of work to do over the next couple of years to understand and develop a comprehensive strategy to address affordability. However there is an opportunity to take steps for immediate progress, so we strongly urge Council to move forward on three action items:

- 1) More rental units are needed NOW. Okotoks **cannot** wait for the completion of the Municipal Development Plan and Land Use Bylaw work. We seek immediate action on revising the secondary suites' policy to make more legal suites possible.

The Task Force recommends Council enact its regulatory authority to direct staff to conduct a comprehensive priority review of the secondary suites policy including but not limited to:

- Legalization and creation of

- Secondary suites
- backyard/detached suites in laned and non-laneway housing
- Co-housing opportunities in single family dwellings
- Accommodations up to two bedrooms in secondary suites
- Possible parking relaxations
- Fee waiver incentive analysis
- Grant incentive analysis
- Caveats or other legal tools for long-term provision of purpose built rental units

Creating an inclusive community, which encourages and allows its residents to flex their property use, will promote options for rental accommodation, increase affordability, accommodate life stages, and diversify Okotoks' population.

We encourage a clear delivery target for presentation of a draft policy that will support property owners' legalization of their existing suites and creating new buildable options: **Staff to bring policy recommendations to Council by the end of Q1 2019.**

- 2) Dependable and comprehensive data is needed. The Task Force and relevant agencies cannot properly ascertain current need nor predict future demand for affordable housing and services without consistent mechanisms in place to measure and track all components related to existing supply and future need.

The Task Force recommends that Council authorize staff resources to explore comparable reporting methodologies, and assess the organizational impact of establishing permanent procedures for collecting and reporting data relative to citizen housing support needs. This will likely require identifying necessary source relationships, and defining the annual cost of implementing a permanent administrative function to meet this need.

The Task Force struggles to progress on developing a long term strategy for producing Affordable Housing without this data collection underway. **We call for staff to bring an implementation plan back to Council on a timeline they feel is reasonable for this scope of work.**

- 3) Lastly and most importantly, we are extremely thankful of this Council's sustained political support in acknowledging the issue and seeking to address housing affordability. **However, we have learned that political will is not enough.** Federal and provincial funding in this space unequivocally *requires* some form of municipal contribution of land or funds, or equivalent in-kind; or a combination of those in order to pursue government dollars. Options for achieving this include using municipally owned lands, purchasing land, enhancing land value of partnered lands, providing monetarily quantifiable services to the project, or any other means of demonstrating that the municipality has invested in the effort. Claims for grants from higher orders of government consider municipal investment as a first criteria for deeming the application complete.

We can provide no formal recommendation of how Council might satisfy that condition, except to assure you that as soon as the prerequisite can be fulfilled it should be, the benefit returned will be tangible. For our part, in addition to our ongoing education, evaluation and strategy development the Task Force will seek to establish meaningful dialogue amongst ourselves, agencies, relevant professionals, builders, developers, and Town staff. We will do so with the intent of assisting any Council venture toward affordable housing to be acted upon swiftly. We are already organizing a gathering of those groups listed above for January 2019.