AFFORDABLE HOUSING STRATEGY UPDATE

Issue
The Affordable Housing Strategy Update is provided to Council for information.

Motion Proposed by Administration
That the Affordable Housing Strategy Update be received as information.

Report, Analysis and Financial Implications
The Affordable Housing Strategy is based on work initiated or completed to date on the strategy and implementation plan.

Implementation Plan
Following approval (in principle) of the Affordable Housing Strategy + Five Year Action Plan, a more detailed Implementation Plan was developed to identify steps to meet all 77 action items in the Strategy. Dependencies were identified so that tasks reliant upon each other will be accomplished in the correct sequence and refinement of the Action Plan Items was made in order to simplify implementation.

The Implementation Plan divides the 77 actions into 11 workstreams based on the type of work required to complete the actions:
- Workstream A - Data
- Workstream B - Establishing Funds
- Workstream C - Applying for Funds
- Workstream D - Partner Incentives
- Workstream E - Create Tools
- Workstream F - Advocate for Funds
- Workstream G - Create Policies
- Workstream H - Update Regulations
- Workstream I - Secure Rental
- Workstream J - Advocate for Policy Change
- Workstream K - Monitor and update

Each workstream has a defined set of tasks with timelines to complete the action. The timelines are organized across the Strategy's life of five years (to 2025) and by financial quarters. As well, dependencies for tasks are defined and the Implementation Plan streamlines some of the Action Plan items to reduce redundancies as noted in attachment 1.

Data Inventory

A template for a data inventory has been created in response to the first stage identified within the Affordable Housing Strategy Action Plan: data readiness. The template includes:

- Initial dashboard, with key indicators (from the housing strategy) and potential for the calculation of specific gaps and needs;
- Population and demographics data (population, age, income, labour force);
- Household data (number of households, size, composition, and tenure split);
- Overall housing supply data (number of completions, building permits);
- Housing data split by segment on the housing wheel (e.g., emergency shelter, transitional housing, market rental, etc.) and for each segment of the housing wheel, separate tabs are provided with:
  - data on supply (# and types of units);
  - cost;
  - demand (# of people currently needing that type of housing); and
  - other indicators (e.g., waitlists for non-market housing, vacancy rate for purpose-built rental, etc.).

This template will be used to update data as it becomes available (e.g., when Census data is released or when data partners produce new data information). It will also be used to help update the Housing Needs Assessment in five years, as well as provide updates to Council on the performance of implementing the Affordable Housing Strategy.

Land Use Bylaw Update

The first draft of the Land Use Bylaw was released in November 2020 and is currently being revised to incorporate feedback received from the public and various stakeholders. The Affordable Housing Strategy, along with other plans and policies, were key inputs in the development of the draft bylaw. A final draft of the Land Use Bylaw is anticipated to be brought to Council in the Spring of 2021.

Secondary Suite and Accessory Dwelling Grant Program

The proposed Secondary Suite and Accessory Dwelling Grant Program was developed in response to items 3.7 and 3.8 of the Affordable Housing Strategy Action Plan:

- Provide financial grants up to $5,000 and education for existing homeowners whose secondary suites are non-compliant;
- Establish a grant for homeowners to cover the cost of developing a new Accessory Dwelling Unit, based on number of rooms and awarded at occupancy for Accessory Dwelling Units to a maximum of $10,000.

The grant program is intended to incentivize the development of secondary suites and accessory dwellings, thereby increasing the number of rental units in town, increasing housing choice, and benefitting both potential tenants and homeowners. Grants of $5,000 will be provided to homeowners who develop a new secondary suite or who upgrade their existing illegal suite to achieve compliance, and grants of $10,000 will be provided to homeowners who develop an accessory dwelling.

The funding amounts will be awarded at building occupancy on a first come, first serve basis to applicants who have successfully obtained a development and building permit for their dwelling unit. This will ensure that each dwelling unit has received the necessary approvals to guarantee its safety.

While demand for the program may exceed allotted annual funding, eligible applicants will be placed on a waiting list to receive funding as it becomes available in subsequent years. Should uptake of grant funding greatly exceed available funds, this will provide the indication that the program has successfully stimulated development of secondary suites and accessory dwelling units. Given the nature of construction and need for some program flexibility it is recommended that annual funding for the program be set at $65,000 annually for the years 2021-2025.

The Secondary Suites Policy and program elements, as well as funding allotments will be brought forward to the next Governance and Priorities Committee meeting for deliberation, refinement and consideration of next steps in its implementation.

<u>CMHC Housing Supply Data Driven Grant Application</u>
In late October 2020, the Canadian Mortgage and Housing Corporation (CMHC) released application information for a grant program focused on developing databased solutions to address the housing supply challenges in Canada. Administration submitted an application on behalf of this grant program on January 20, 2020.

The grant program functions in three phases:
- Phase 1 - develop a high level concept and submit an application;
- Phase 2 - $100,000 is allotted to 25 successful applicants to develop a solution prototype over a period of seven (7) months; and,
- Phase 3 - successful proponents receive up to $1,000,000 in funding over a period of five (5) years for the implementation of their data solution.

This grant opportunity aligns with the first stage identified within the Affordable Housing Strategy Action Plan: data readiness.

There currently exist many gaps in the Town's data, which affect the provision of affordable and attainable housing. By developing a databased solution, data gathering and analysis on a long-term basis will be made possible, thereby ensuring that future decisions are informed by concrete data.

In addition, useful data that is not currently collected can begin to be collected and considered in the decision making process. Awarded funding would also allow local housing partners to participate in the development of a data solution and solution implementation in a meaningful way.

Grant applicants must demonstrate that their proposed data solution is transferrable, and could be utilized by other organizations within Canada who experience similar hurdles related to data and housing supply. The Town's application has been framed to demonstrate the transferability of the proposed databased solution. Successful applicants who are chosen to receive funding and move onto Phase 2 will be notified in early February.

<u>Partnerships on Purpose-Built Rental and Affordable Housing</u>
Negotiations are underway with three builders, and one developer, to help lower the cost of construction or to offer rental subsidies to support the creation of more affordable housing units in Okotoks. It is recommended that annual funding for the program be set at $135,000 for 2021 and $150,000 annually for the years 2022-25.

While details are still being negotiated, and are subject to funding approval by Council, the intent in working with three different builders is to bring the unit costs of townhouse, four-plex, and apartment based projects below 20% of market value. These projects would be mixed affordable and market based projects as to not create stigma to any particular unit in the community. In some cases rezoning applications will be required to support the project and partner support with non-profit agencies to potentially operate the units under either an ownership model or a rent subsidy model. Additional details of this Affordable Housing Tool will be brought forward to the next Governance and Priorities meeting.

<u>Westwinds Community – D'Arcy Affordable Housing Site</u>
The Town's Affordable Housing site in D'Arcy and its partnership with Westwinds is evolving with greater site details and potential partnerships being explored. The Town hired M3 Developments through a competitive Request For Proposal process to act on behalf of the Town to develop the site details, partnership opportunities, maximize site efficiencies, and potential shared operational functions, and to seek out potential builder partners. Currently the project is focussing on site design and programming for safety and security. Design is expected to be a combination of townhouses and potentially an apartment building. Unit numbers will be confirmed later. Programming discussions include a daycare, commercial kitchen, underground parking (for security), internal park, and community garden.

Strategic Plan Goals

☒	Manage Community Growth	☐	Provide Strong Governance
☒	Provide Quality Community Infrastructure	☒	Healthy and Safe Community
		☒	Foster Economic Vitality
☐	Enhance Organizational Excellence	☐	Promote Environmental Excellence

Governing Policies/Bylaws/Legislation or Agreements
n/a
Public Participation Strategy
n/a
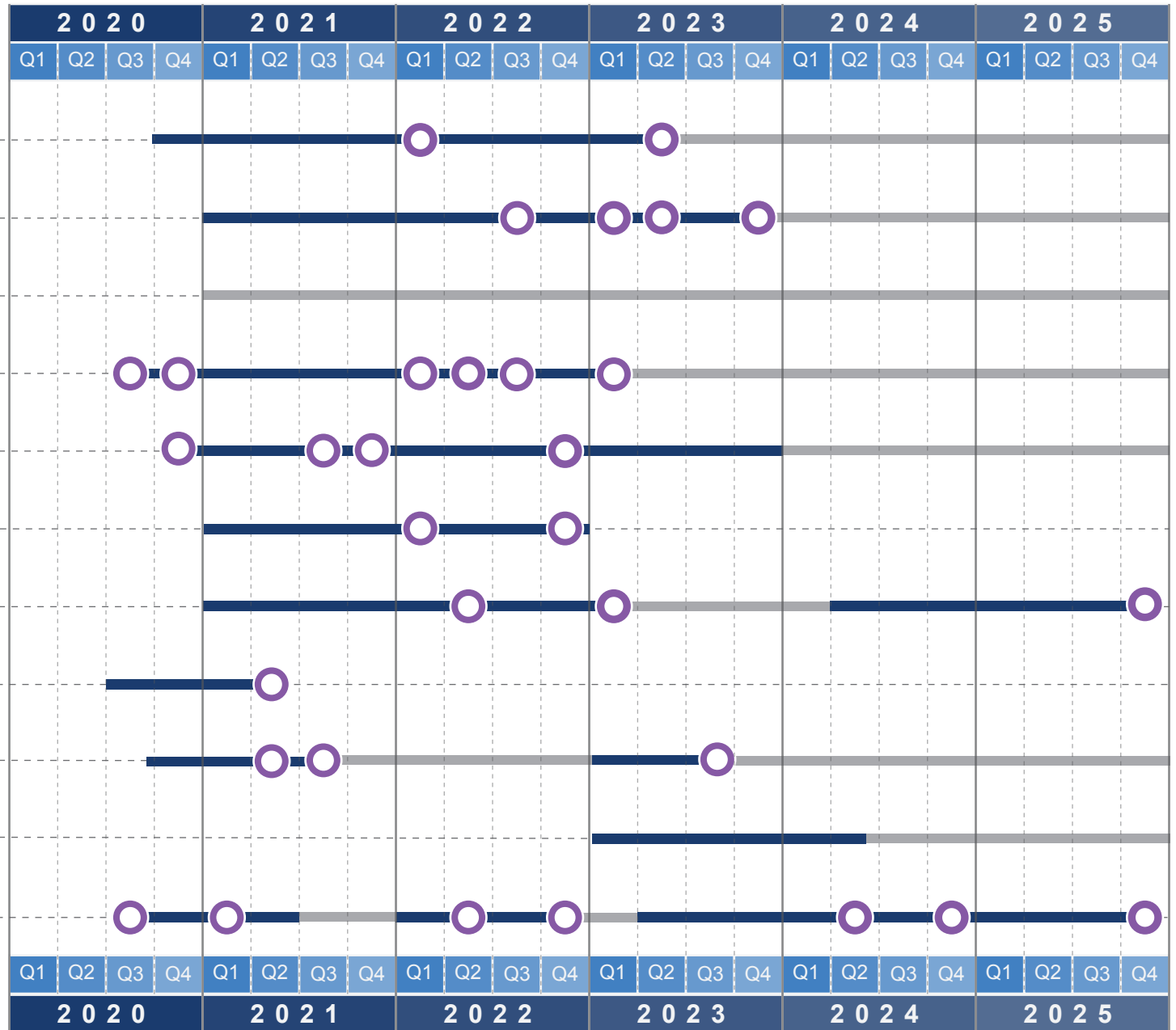**Alternatives for Consideration**
n/a

CAO Comments

At the time Council approved the budget for 2021, $200,000 on a one time basis was approved. This leaves a funding gap for years 2 through 5 of the plan. Also note, with the 2021 funding being allocated to the programs, staffing support will need to come from the current staff base. If the grant funding for data analysis is not received, Administration may need to come back to Council to either alter timelines or provide additional funding. This is an example of how core business changes with the creation of a new strategic plan and the need to be realistic about what can be achieved with the current resources.

Attachment(s)

1. High Level Implementation
2. Detailed Draft Action Plan Schedule

Prepared by:
Jeff Greene
Development Services Director
January 15, 2021

HOUSING STRATEGY IMPLEMENTATION - HIGH LEVEL SCHEDULE

WORKSTREAM

- A DATA
- B ESTABLISHING FUNDS
- C APPLY FOR FUNDS
- D PARTNER INCENTIVES
- E CREATE TOOLS
- F ADVOCATE FOR FUNDS
- G CREATE POLICIES
- H UPDATE REGULATIONS
- I SECURE RENTAL
- J ADVOCATE FOR POLICY CHANGE
- K MONITOR + UPDATE

LEGEND — TASK — ONGOING ◯ MILESTONE