

COUNCIL – AGENDA REPORT

Meeting Date: 19 June 2023

Subject: 2024 – 2030 Affordable Housing Principled Action Plan
and CMHC Housing Accelerator Fund (for approval)

Boards Routed Through: Community Services Advisory Board

Date: 12 June 2023

Issue:

Council is being asked to approve the 2024 – 2030 Affordable Housing Principled Action Plan allowing the City to apply for the CMHC Housing Accelerator Fund program, a unique opportunity for the municipality to receive external funding in exchange for making improvements to municipal policy that result in more permitted homes.

Background:

Summary of the Affordable Housing Need and Impacts to the Community:

Airdrie's exponential growth, tracking towards 100,000 people within a few short years, is the driver to significant and ongoing changes within the community. Predictably, increases in the number of people overall corresponds to a growing number of Airdrie residents who are struggling to afford shelter. Airdrie's [2017 Housing Needs Assessment and Strategy](#) outlined 31 recommended actions to respond to housing insecurity, which at that time was approximated to reach over 2,000 Airdrie households by 2027. Sadly, this level of need has occurred years in advance, as evidenced by the 2021 Federal Census data showing that 1,985 (8.8%) of Airdrie households are in [core housing need](#), meaning they are struggling with housing insecurity due to affordability and other factors. Meanwhile, as the need has deepened year-over-year, Airdrie's supply of 44 affordable homes serving individuals and families remained exactly the same.

The historical under-investment in affordable housing in the community has made it especially difficult for single mothers (28% are in core housing need), renters (20%), senior women living alone (32%), younger people living alone (14%), people with mobility limitations (10%), visible minorities (11%) and many others. Instead of being supported in the community with appropriate housing when life circumstances such as divorce, job loss, illness or disability hit, many residents in need are forced away to Calgary and elsewhere – due to the lack of local affordable housing options in Airdrie. As Airdrie's single mothers and other community members who find themselves unable to afford housing move out of the community, they abandon their local jobs and take their children out of schools, undermining elements of a complete, prosperous community.

Ensuring that Airdrie has an adequate supply of affordable homes is fiscally prudent and makes economic sense. Housing is an economic enabler that leads to creating local jobs, strengthens resident purchasing power and reduces pressures in other areas of government spending such as emergency services. Also, and especially important for Airdrie, housing diversity serving all wage brackets is key to attracting and retaining a stable labor force. Labour in turn fuels (or impedes) business expansion, innovation and overall economic vitality.

2024 – 2030 Affordable Housing Principled Action Plan:

Council has stated the priority to “offer a full range of integrated below–market housing options that will allow residents to access housing that is achievable on their income.” However, due to not having a unified plan, the City’s efforts to respond to the need has thus far been carried out through ad hoc actions that bring fragmented gains. The *2024 – 2030 Affordable Housing Principled Action Plan* (see Attachment 1) organizes the City’s efforts by establishing *how* the municipality will address the housing shortage while concurrently creating new homes. In essence, the Plan provides the City with a roadmap that guides progressive improvements in municipal capacity. When the Plan is complete, the City will have interconnected and reliable systems, processes and experience that will serve as the launchpad for leading a housing program that is sufficient to meeting the need.

Recognizing that housing is a shared responsibility with other orders of government and community partners, the Plan’s focus on building the municipal foundation is based in the City’s position as being the “boots on the ground” within the housing landscape. As such, the City can significantly enable improvements in sustainable housing solutions that are applied in the community. This power is concentrated within the City’s ability to embody roles that have impacts throughout the housing system. These City roles are:

FUNDER *through capital contributions to affordable housing projects such as land purchase*

PARTNER *through meaningful collaboration with external housing stakeholders including other orders of government, community serving non-profit organizations, private industry, and as a Board member of the Rocky View Foundation*

REGULATOR *as the steward of municipal policies, regulations development practices, policy and bylaw impacting housing options*

OPERATOR *as the sole shareholder of the City’s fully owned municipal non-profit corporation, Airdrie Housing Limited (AHL)*

Despite providing a new set of comprehensive “directions” on how the City will address housing to meet the need, the Plan is rooted in well-established recommendations and best practices applied to the local Airdrie context, including alignment with the [Airdrie Housing Landscape Opportunity Analysis](#) recently conducted by the Rural Development Network and the “stepping stone” approach presented in the [2017 City of Airdrie Below Market Housing Needs Assessment and Strategy](#). These works, as well as consultations across City departments and with Airdrie Housing Limited and the Rocky View Foundation, provided the basis for the targets and strategic goals presented under the framework of the Plan’s six interconnected strategic objectives:

1. Build Municipal Capacity to Advance Affordable Housing Solutions
2. Increase Housing Delivered by Non-Profit Providers
3. Grow Housing Serving Airdrie’s Labour Force
4. Accelerate the Success of Airdrie Housing Limited
5. Strengthen Intergovernmental & Community Partnerships
6. Improve Access to City and Community Services

Resourcing the Plan:

There are no funding requests attached to the Plan at the current framework approval step. Further, the Plan is based on an incremental approach that utilizes existing or planned resources in Year 1

(2024). If the framework of the Plan is approved, Administration will confirm the activity level details of the Plan. Council will be asked to approve resources for onward implementation of the Plan through the annual budget process brought forward by Administration. Funding requests to enact components of the Plan that fall outside of the regular budget process will be presented to Council for approval as required.

Achieving full implementation of the Plan in onward years will require a significant commitment from the City. Specifically, dedicating effort within department workplans, dedicating funds within a scarce funding environment and the will to change the rules impacting housing that have historically been applied in Airdrie will be required.

Additionally, a critical enabler to meeting housing goals now and in the future is establishing an Affordable Housing Reserve Fund (AHRF). The AHRF is a financial product that is intended to dedicate funds for City-established housing priorities while allowing a maximum level of flexibility. Examples of how AHRF - secured funds could be deployed include paying for pre-development project costs and City acquisition of land or building assets for affordable housing. Further investigation will be required to determine the recommended options for establishing and capitalizing an AHRF for Airdrie.

Major Funding Opportunity: CMHC Housing Accelerator Fund:

In 2022, Council requested that Administration seek out external funding opportunities to support affordable housing in Airdrie. In response, Administration has increased engagement and advocacy with external partners and facilitated a successful funding application to the Government of Alberta Affordable Housing Partnership program that contributed \$1.4M of provincial funds to the Airdrie Housing Limited East Lake Apartments project. Administration facilitated a separate funding application for an additional \$2.6M for the project with the CMHC Rapid Housing Initiative 3 (RHI 3) program. The results of the RHI 3 application are expected later this summer.

Administration would now like to bring forward for Council's attention the [CMHC Housing Accelerator Fund](#) (HAF). Although the \$4B fund was announced in Federal Budget 2022, CMHC only recently released the [criteria](#) for program. Through the HAF, CMHC is directing significant funding directly to municipalities with the intent to "*drive transformational change within the sphere of control of the local government regarding land use planning and development approvals that will accelerate the supply of housing across Canada.*" The fund's objective is to achieve at least 100,000 more homes, and support lasting changes that will improve housing supply for years to come. HAF is an application-based program for municipalities that will be offered only once through an application window in "Summer 2023". Criteria to apply for the HAF include Council's endorsement of seven municipal initiatives that will increase the local housing supply (hereafter called the "HAF 7 Item Plan").

HAF Funding Potential: The HAF has a much higher potential to leverage external funding applied to housing solutions in Airdrie than any other previously pursued funding opportunity. HAF funding incentives are applied to all types of housing, however, proposals that include Transit Orientated Development (TOD), Missing Middle Housing and Affordable Housing will receive exponentially more funding. Using CMHC's published example, an applicant that proposes achieving 500 permitted homes of diverse housing types would be eligible for **\$16M** in HAF grant funding. Recipients of HAF also enjoy a high level of flexibility in determining how the funds are used beyond resourcing the proposed HAF 7 Item Plan. City investments in housing infrastructure and community related infrastructure that support housing (like roads or bridges) are allowed uses of HAF funding.

Considering the Council recess from July to Sept. and the unknown dates of the brief HAF application window that will open "this summer", Administration will bring the HAF 7 Item Plan to Council for approval as soon as possible within the coming weeks. Council's approval of the currently proposed *2024 – 2030 Affordable Housing Principled Action Plan* will guide Administration's approach to the HAF 7 Item Plan, as the seven HAF proposed initiatives should be in direct alignment. Additionally, the HAF 7 Item Plan will be based on the most feasible actions with the highest potential for funding aimed at achieving sustainable and diverse housing supply.

Alignment with South Saskatchewan Regional Plan and AirdrieONE:

Increasing options for affordable housing is aligned with the community building framework described in AirdrieONE and the South Saskatchewan Regional Plan.

AirdrieONE highlights affordable housing within the context of Socially Sustainable Communities. The plan indicates addressing housing needs and enhancing affordability options by:

- Regularly analyzing population growth, development activity, housing stock and affordability needs to determine future housing needs in the City.
- Working collaboratively with the non-profit agencies, the development community and public agencies to provide a broad range of housing choices for all income groups.
- Putting measures in place to retain existing affordable housing.
- Examining options and tools to increase affordability options.

The South Saskatchewan Regional Plan includes affordable housing in reference to strategies for land-use patterns that “provide the opportunity for a variety of residential environments which feature innovative designs and densities, and which make efficient use of existing facilities, infrastructure and public transportation.”

Boards Routed Through:

This report was presented to the Community Services Advisory Board on June 12, 2023.

Administration Recommendation:

That Council:

1. endorses the *2024 – 2030 Affordable Housing Principled Action Plan*; and
2. directs Administration to investigate options for establishing and capitalizing an Affordable Housing Reserve Fund and report back to Council with the options; and
3. directs Administration to pursue an application to the CMHC Housing Accelerator Fund (HAF), that will include a Council approved HAF 7 Item Plan that is based on the *2024 – 2030 Affordable Housing Principled Action Plan*.

Alternatives/Implications:

Council could maintain the status quo of not having an action plan guiding the City's efforts to improve Airdrie's housing situation, thereby not achieving unity in addressing community housing needs and ambiguity in completing the application requirements for the CMHC Housing Accelerator Fund.

Communications Plan:

Recommend continued messaging to the public on the importance of achieving a caring and complete community. Despite the overall years-long stagnation on achieving gains commensurate to meet the growing need, Airdrie still has the opportunity to avoid the rapidly deteriorating housing situation that is occurring in other cities by dedicating municipal efforts now.

Recommendation:

That Council:

1. endorses the *2024 – 2030 Affordable Housing Principled Action Plan*; and
2. directs Administration to investigate options for establishing and capitalizing an Affordable Housing Reserve Fund and report back to Council with the options; and
3. directs Administration to pursue an application to the CMHC Housing Accelerator Fund (HAF), that will include a Council approved HAF 7 Item Plan that is based on the *2024 – 2030 Affordable Housing Principled Action Plan*.

Jessica DeVreeze
Affordable Housing Strategist, Business Unit Leader

Presenter:	Jessica DeVreeze
Department:	Affordable Housing
Reviewed by:	Clay Aragon
Attachments:	#1 2024-2030 Affordable Housing Principled Action Plan - High Level Framework
Appointment:	N/A