



ECONOMIC STANDING POLICY COMMITTEE REPORT

Title Affordable and Social Housing Capital Funding
Request- Streets Alive Mission

Meeting Date October 3, 2023

Submitted By Mayor Hyggen, Chair – Economic Standing Policy Committee

Recommendation from Economic Standing Policy Committee:

BE IT RESOLVED THAT City Council

1. Provide **\$560,000** of funding to the Streets Alive Mission for the Supportive Recovery Housing project located at 925 – 15 Street South, conditional to the securement of the balance of project funding on or before December 31, 2024, and the successful acquisition of a development permit for the project; and
2. Provide the funding subject to the execution of the City's third-party contribution agreement in a form with terms and conditions satisfactory to the City Manager; and
3. Authorize the City Manager and City Clerk to sign the Agreement.

Vote:
In Favour: 7-2

Public Speakers at the Meeting: None

Public Submissions: None

Submitted By Andrew Malcolm, General Manager, CSD

Summary

- Request for Decision from City Council, through the Economic SPC, regarding the allocation of up to \$850,000 to support the Streets Alive Mission in the renovation/retrofit of a housing project at 925 – 15 Street South.
- Project includes the purchase of the property, the rezoning/permit process and fees, and the renovation/retrofit of the property. Following project completion, the facility would include a total of 8 two-bedroom units on the second floor, and 16 one-bedroom units in a

communal living setting on the main floor, for a total of 32 program spaces (see Attachments 3 & 4).

- The proposal has been reviewed by Administration and it has been determined that all program spaces would be considered as affordable by the City’s definition (30% or less of a household’s pre-tax income) based on the most recently released Income Thresholds (Link 1).
- The Affordable and Social Housing Capital Grant (CC49) is closed until a comprehensive review has been completed, however with an opportunity to leverage the provincial Affordable Housing Partnership Program (AHPP), Streets Alive Mission has requested a capital funding request intended to support project viability. The AHPP has an application deadline of October 16, 2023.
- The proposed project is intended to be supportive housing, as such a separate rezoning process with engagement requirements and public hearing is required. Funding will be conditional on this process being successfully achieved.

Recommendation(s)

THAT the Economic SPC recommend:

1. That City Council provide \$850,000 of funding to the Streets Alive Mission for the Supportive Recovery Housing project located at 925 – 15 Street South, conditional to the securement of the balance of project funding on or before December 31, 2024, and the successful acquisition of a development permit for the project; and,
2. That City funding be provided subject to the execution of the City’s third-party contribution agreement in a form with terms and conditions satisfactory to the City Manager; and,
3. The City Manager and City Clerk be authorized to sign the Agreement; and
4. To forward this report as an item of Urgent Business to this afternoon’s October 3, 2023 Council Meeting due to the tight timelines.

Financial

The housing project’s total cost is estimated at \$3,000,000, in alignment with the attached Project Budget and conditionally accepted Offer to Purchase (Attachments 1 & 2). Streets Alive Mission has indicated their desire to apply for provincial AHPP funding for 28.3% of the project, with the balance of the project being funded through other sources (private donation, debt, agency funds, etc.).

Source	Request Amount	% of Project
City of Lethbridge	\$850,000	28.3%
AHPP	\$850,000	28.3%
Other (donations, debt, agency funding, etc.)	\$1,300,000	43.3%
Total	\$3,000,000	100%

The funds being requested are intended to support the capital development of the project. No operational funding is being requested from the City of Lethbridge.

Presently, the City of Lethbridge has \$5,900,000 of funding available to support social and affordable housing projects.

Background and Prior Decisions

- March 2019- Municipal Housing Strategy (Link 3)
- May 2023- Intakes for the Affordable and Social Housing Capital Grant Program paused, pending review by Administration (Link 4)
- May 2023- City Council approves the Encampment Strategy, which includes funding for a 1.0 FTE Housing Solutions Coordinator (Link 5)

Engagement

- Upon announcement of the provincial Affordable Housing Partnership Program (AHPP) funding application deadline, Community Social Development (CSD) reached out to 17 local partners, including Streets Alive Mission, to determine which groups were positioned to apply and how the City could support application.
- Through conversations between Community Social Development and the Streets Alive Mission, it was determined that municipal support for the project would bolster the application for provincial AHPP grant funding.
- Streets Alive Mission has engaged with Planning and Design to begin steps for rezoning and permit application. It is anticipated that this process will include most of the public engagement for the project.

Recommendation and Option(s) Analysis

Option 1

- **City Council may allocate \$850,000 for the project**, conditional to the following:
 - Successful Zoning/Permit Issuance (recommended)
 - Successful securement of funding for the balance of the project on or before December 31, 2024 (recommended)
- Under this option, the City contribution would be equal to \$26,562.50 per bedroom/program space, representing 28.3% of the total project cost.
- Community/Citizen Impacts
 - Social- Supportive and recovery housing are critically needed in the community and this project would result in eight 2-bedroom units and 16 communal living units (32 program spaces) for those requiring relevant supports. The most recent Point in Time Count (Link 2) indicated 235 individuals experiencing unsheltered homelessness. Once complete, this project would be positioned to house and support individuals in this situation.
 - Economic- As the funding source for this project is held in reserve, Administration does not anticipate an economic impact to the broader community at this time.

- Environmental- As this project does not include the development of presently undeveloped space, Administration does not anticipate an environmental impact currently.
- Other community/citizen impacts are expected to be voiced through required public engagement that forms part of the rezoning/permit application process.
- Risk
 - There is a low financial risk level of this allocation, which can be managed by the conditions of the grant disbursement listed above (zoning/permit securement, evidence of matching funding for the balance of the project, and/or securement of provincial grant funding).
 - Non-financial risk factors for the project will be identified as the project progresses, primarily through the public engagement resulting from the rezoning/permit application processes.
- Implementation/Communication
 - If the funding allocation is approved, CSD will work with Streets Alive Mission and the City Solicitor's office to develop a grant funding agreement, which will contain any relevant conditions of the funding. The agreement will detail the claims process, the reporting requirements, and other terms/conditions of the grant.
 - The standard funding agreement for these types of projects includes that the City will be made aware of any public communications/advertising of the project. The City will work with Streets Alive Mission to ensure that communications are occurring cohesively.
 - Upon the project's completion, CSD will work with funded service providers to notify of the new housing availability, to ensure that the space is used effectively and immediately.

Option 2

- **City Council may allocate \$560,000 (or an alternative amount as directed by Council)** which can be conditional to the following:
 - Successful Zoning/Permit Issuance
 - Successful securement of funding for the balance of the project on or before December 31, 2024
- Under this option, the City contribution would be equal to \$17,500 per bedroom/program space, and would represent approximately 19% of the total project cost. This per bedroom figure closely aligns with previous allocations amounts for similar projects.
- Community/Citizen Impacts
 - Social- Same as Option 1
 - Economic- Same as Option 1, except that under this option, Streets Alive Mission would solicit more private donations from community members to support project viability.
 - Environmental- Same as Option 1
- Risk

- Same as Option 1, except that this option requires additional funds from other sources (in the amount of \$290,000). If the additional funding could not be secured by Streets Alive, the Project may not be financially viable.
- Implementation/Communication
 - Same as Option 1

Option 3

- **City Council may elect to not fund the project**, and the Streets Alive Mission would seek alternative funding for the project.
- The Option provides the highest likelihood that the project will be unsuccessful in securing provincial grant funding and may result in the project not being financially viable.
- Community/Citizen Impacts
 - Social- Supportive and recovery housing units are needed in the community and this project would result in 32 program spaces for those requiring the relevant supports. The most recent Point in Time Count (Link 2) indicated 235 individuals experiencing unsheltered homelessness. If Option 3 is selected and the project is found to no longer be financially viable, this may result in 32 program spaces not being available to the community.
 - Economic- With no funding allocation and potentially no change of use at the existing location, this option would have no economic impact on the community. If the project were found to be viable without the municipal allocation, public engagement from rezoning/permit application would unearth concerns about the change of use from neighbouring property/business owners.
 - Environmental- No impact if the project were found to no longer be viable. However, if the project were to remain viable without the municipal allocation, the environmental impact would be the same as Option 1
- Risk
 - With no municipal allocation, there is no financial risk to Option 3
 - If the project remains viable without the municipal allocation, non-financial risk factors for the project will be identified as the project progresses, primarily through the public engagement resulting from the rezoning/permit application processes.
- Implementation/Communication
 - Community Social Development will continue to work with Streets Alive Mission as a community stakeholder but will not engage in formal support of this specific project.
 - If the project remains viable without the municipal allocation, upon completion of the project, CSD will work with funded service providers to notify of the new housing availability, to ensure that the space is used effectively and immediately.

Attachment(s)

1. Project Budget & Action Plan
2. Conditionally Accepted Offer to Purchase
3. Project Summary
4. Project Snapshot

Link(s)

1. [2023 Income Thresholds](#)
2. [2022 Point in Time Count Report](#)
3. [Municipal Housing Strategy](#)
4. [City Council Meeting Minutes- May 30, 2023](#)
5. [City Council Meeting Minutes- May 16, 2023](#)

Approvals

Department Director: Carly Kleisinger

City Manager: Lloyd Brierley