



City of Prince Albert

RPT 2024-219

TITLE: Affordable Housing Program Application – 354 6th Street East – Prince Albert Community Housing

DATE: August 8, 2024

TO: City Council

PUBLIC: X

INCAMERA:

RECOMMENDATION:

1. That the Affordable Housing Program Application made by Prince Albert Community Housing Society Incorporated for \$30,000, for the development of eight (8) affordable housing units, to be located at 354 6th Street East, be approved, subject to the applicant entering into a fifteen (15) year Operating Agreement with the City; and,
2. That the Mayor and City Clerk be authorized to execute the Operating Agreement and any related documentation, on behalf of the City, once prepared.

EXECUTIVE SUMMARY:

The Community Development Department is in receipt of an Affordable Housing Program Application from Prince Albert Community Housing Society Inc. (PACH), their second in 2024, requesting \$30,000 for the construction of eight (8) affordable rental dwelling units, to be located at 354 6th Street East.

PACH has already received \$25,000 in 2024 from the Affordable Housing Program for the development of five (5) affordable housing units located at 1901 15th Street West.

While this is the second application from PACH this year and the funding program only permits one (1) application per year, the application meets all the conditions listed in “*Schedule A*” attached to the report, which aligns with the purpose of the Affordable Housing Program. Given that only one (1) Affordable Housing Program application was approved in 2023, which wasn’t for PACH, Administration recommends approval.

BACKGROUND:

As per City Council Resolution No. 0082, dated February 25, 2019, the purpose of the Affordable Housing Program is to provide non-profit corporations with financial assistance to create affordable housing units. To date, seven (7) applications have been approved under the

Affordable Housing Program, providing funding to develop thirty-three (33) affordable housing units.

In late 2023, PACH received a Development Permit for the construction of five (5) affordable housing units located at 1901 15th Street West. While PACH had intended to submit the corresponding Affordable Housing Program Application for this development in 2023, it was discovered through a conversation regarding the status of the application that it had not been submitted; as per City Council Resolution No. 0105 dated April 22, 2024, PACH received \$25,000 for the 2023 project.

At this time, PACH is making its second request in 2024 for funding through the Affordable Housing Program for the construction of eight (8) affordable housing units, to be located at 354 6th Street East. The maximum amount of funding per application is \$5,000 per dwelling unit to a maximum of \$30,000, and in this case, as they are building eight (8) new dwelling units, they are requesting the full amount. Administration is currently reviewing the Development Permit Application for this property and anticipates a Building Permit Application submission in the short term.

PROPOSED APPROACH AND RATIONALE:

Although one of the conditions of the Affordable Housing Program is that only one (1) application per non-profit organization may be received per year, there is sufficient evidence to make an exception in this instance:

- Administration has records of previous correspondence with PACH dated June of 2023, indicating that they intended to submit an application for the Affordable Housing Program, which they missed due to organizational and operational changes;
- PACH did not apply for or receive funding under the Affordable Housing Program in 2023;
- Only one (1) application for the Affordable Housing Program of the three (3) allowed was received and approved in 2023;
- Supporting the development of any new affordable housing units in the current housing climate is advised; and,
- The anticipated balance of the Housing Reserve at the end of 2024, with all approved applications paid, is approximately \$270,000. With the additional application from PACH for \$30,000, the balance is sufficient to cover the cost.

As part of the Affordable Housing Program, PACH will be required to obtain a Development Permit and Building Permit and enter into a 15-year Operating Agreement with the City of Prince Albert, ensuring the units in question remain affordable. And, the anticipated cost for this project is \$4.3 million dollars, with multiple loans and grants being provided by various organizations.

Therefore, based on the information found above, Administration recommends approval.

CONSULTATIONS:

The Community Development Department has been in contact with the applicant throughout the application process to ensure that they are aware of municipal requirements, and processes, and to manage expectations and timelines.

COMMUNICATION AND/OR ANNOUNCEMENT PLAN:

The applicant will be notified of City Council's decision and Administration will continue to work with the applicant to finalize the agreement and complete the necessary permit applications.

Administration also intends to bring PACH in to meet the new staff and discuss their future development plans, and the City's development processes and regulations.

BUDGET/FINANCIAL IMPLICATIONS:

The Housing Reserve may fund up to five (5) First Time Home Buyer Applications for a total of \$25,000 per year, three (3) Affordable Housing Program applications for a total of \$90,000 per year and any application submitted for the legalization of secondary suites, each with a maximum value of \$2500; no applications for the secondary suite program were submitted in 2023 and we do not anticipate many in 2024.

The projected balance of the Housing Reserve at the end of 2024 is \$275,660. With the maximum value of the applications that could be submitted in 2024 being approx. \$120,000, the balance is sufficient to cover the additional Affordable Housing Program application request of \$30,000.

In addition to the disbursement for the City's portion of PACH's operating costs, in 2024 the Housing Reserve has distributed the following funds:

- PACH 1901 15th St West \$25,000
- FTHB Peterson \$5,000
- River Bank Development Corporation 1347 14th Street West \$20,000

OTHER CONSIDERATIONS/IMPLICATIONS:

Going outside the criteria for the Affordable Housing Program to approve a 2nd application for a non-profit organization in one (1) year isn't in keeping with the Housing Reserve Policy that this program falls under. That said, given the circumstances described in this report, approving the request represents a reasonable departure from the policy.

OPTIONS TO THE RECOMMENDATION:

There are no options to the Recommendation.

STRATEGIC PLAN:

The approval of this Affordable Housing Program Application is supported by the strategic priority of building a robust economy, as outlined in the City of Prince Albert Strategic Plan, 2023-2025. By focusing on population growth, the City of Prince Albert is creating an opportunity to support the creation of a wide range of property and housing options.

OFFICIAL COMMUNITY PLAN:

Section 6 of the City of Prince Albert's Official Community Plan states that:

"the need for affordable housing is critical. Adequate housing can stabilize neighbourhoods and enable the community to wrap services around individuals and families who require them."

The Affordable Housing Program supports the above statement by helping non-profit corporations provide affordable dwelling units to residents of the City of Prince Albert.

PUBLIC NOTICE:

Public Notice pursuant to the Public Notice Bylaw No. 24 of 2015 is not required.

ATTACHMENTS:

1. Location Map
2. Schedule A
3. Affordable Housing Program - Operating Agreement

Written by: Darien Frantik, Planner

Approved by: Director of Community Development & City Manager