



Community Issues Committee Report

March 26, 2026

Community Services-2026-0010

Affordable & Social Housing Update

Name Matthew Pitcher, Housing Solutions Coordinator, Community Social Development

Department Community Services

Submitted By Acting Mayor Crowson, Chair - Community Issues Committee

Recommendation of Community Issues Committee:

BE IT RESOLVED THAT the Community Issues Committee recommend that Council:

1. Confirm that this report satisfies the requirements of the directed resolution to return following the implementation of the Government of Alberta's *Bill 20: Municipal Affairs Statute Act, 2024* and to direct Administration not to proceed with further development or implementation of the Non-Profit Affordable Housing Tax Rebate Grant Program, and incorporate learnings from the draft program guidelines to future housing and development based incentive discussions; and
2. Direct Administration to return to a Community Issues Committee meeting in Q3 2026, or earlier, with a drafted non-market housing investment proposal, combining a variety of available municipal tools, for review and approval by Council, prior to presentation to federal and provincial partners.

Vote:

In Favour: 6-0 (Unanimous)

Absent: 3

Public Speakers at the Meeting: None

Public Submissions: None

Summary

- This report provides a comprehensive update on the City's ongoing work in affordable and social housing following renewal of the Municipal Housing Strategy in 2024, including recent legislative changes, progress on municipal investments, and opportunities emerging from federal and provincial partners. The intent is to offer a clear overview of how these developments intersect and what they mean for the City of Lethbridge's current and future role in non-market housing.
- Additionally, in response to Council's directed resolution, Administration has evaluated the impact of *Bill 20: Municipal Affairs Statutes Act, 2024* on the drafted Non-Profit Affordable

Housing Tax Rebate Grant Program. As Bill 20 now exempts eligible non-profit affordable housing providers from property taxes, achieving the underlying purpose of the drafted municipal program, Administration has concluded that proceeding with a municipal program is unnecessary.

- Given the evolving federal and provincial funding environment around housing investments, Administration is seeking Council direction to develop a non-market housing investment proposal, combining a variety of available municipal tools, to proactively leverage emerging funding and partnership opportunities, particularly through Build Canada Homes.

Recommendation(s)

THAT the Community Issues Committee recommend that Council:

1. Confirm that this report satisfies the requirements of the directed resolution to return following the implementation of the Government of Alberta's Bill 20: Municipal Affairs Statute Act, 2024 and to direct Administration not to proceed with further development or implementation of the Non-Profit Affordable Housing Tax Rebate Grant Program, and incorporate learnings from the draft program guidelines to future housing and development based incentive discussions; and
2. Direct Administration to return to a Community Issues Committee meeting by Q3 2026, or earlier, with a drafted non-market housing investment proposal, combining a variety of available municipal tools, for review and approval by Council, prior to presentation to federal and provincial partners.

Financial

- As Administration is recommending that the municipal rebate program not proceed, there is no financial request or budget impacts arising directly from this report.
- With Bill 20 now exempting eligible non-profit affordable housing providers from property taxes, an additional municipal rebate program would offer minimal additional benefit and is unlikely to meaningfully increase the supply of new affordable units.
- The Affordable and Social Housing Capital Fund (ASHCF) remains the City's most effective financial tool for supporting non-market housing with six completed projects supported through the ASHCF have delivered more than 270 units/beds, approximately 70% of which are held at affordable rates. The Fund receives \$150,000 annually and currently has approximately \$1.8 million available, with a similar amount conditionally committed to approved projects.
- The ASHCF is the funding source for the Affordable and Social Housing Capital Grant (ASHCG). The ASHCG is currently closed for intakes pending review, but projects leveraging funding from other orders of government have still been brought forward for Council consideration.
- Although the ASHCF was fully allocated as of Spring 2025, two previously approved conditional commitments were returned to the Fund, restoring some capacity for future projects:
 - The Lethbridge Housing Authority's Nokoowaayi supportive housing project was completed without requiring the \$1.05 million contingency allocation.

- o The Streets Alive Mission supportive housing project remains shovel ready; however, because the organization was unable to secure required matching funding from another order of government, a condition of the City's commitment, the allocation expired and has been returned to the Fund.
- If approved to proceed, several funding sources for the development of a non-market housing investment proposal could be contemplated including but not limited to the allocated and unallocated resources in the ASHCF, funding previously considered for the Non-Profit Affordable Housing Tax Rebate Grant Program, available land, etc.

Background and Prior Decisions

- June 7, 2022- Affordable and Social Housing Incentive options brought forward based on the recommendations from Cultural and Social Standing Policy Committee. Options included:
 - o Direct Administration to investigate the development of a community wide Affordable and Social Housing Operating Grant;
 - o Direct Administration to review the information related to the specified property (Coulee Creek Seniors Building Project) to identify one-time funding options; and
 - o Direct Administration to create an advocacy framework for affordable housing.
- November 8, 2022- City Council adopted the recommendations of the Economic SPC meeting from October 19, 2022, voting in favor of a resolution that City Council consider only offering capital grants to affordable and social housing providers.
- November 14, 2022- Budget Initiative: C-5.1- Affordable Housing Operating Grant was presented during budget deliberations and the motion was struck due to the resolution from November 8, 2022, that was adopted by Council.
- November 28, 2023- City Council voted in favor of a resolution that:
- Approved one-time funding in the amount of \$180,000 from the Corporate Budget Contingency, for operating funding for the Lethbridge & Region Community Housing Corporation and Lethbridge Housing Authority affordable housing properties.
- Directed Administration to develop a Non-Profit Affordable Housing Tax Grant Program with funding options and return to Economic and Finance Standing Policy Committee by the end of Q2 2024.
- January 23, 2024- City Council votes in favor of an Official Business Motion to rescind the November 9, 2022, resolution to only consider offering capital grants to affordable and social housing providers.
- April 9, 2024- City Council provides confidential direction to Administration regarding the draft grant program framework. Further, direction is provided to Administration to return to various committee meetings with a final draft program framework, City Council Policy, funding options and funding recommendations, for Council consideration.
- October 22, 2024- City Council reviews the drafted guiding principles for a tax grant and directs Administration to return to an Economic and Finance SPC in Q1 2026 or earlier with an overview of the Government of Alberta's *Bill 20: Municipal Affairs Statute Act, 2024* and its impact on a municipal tax rebate program.

Engagement

- Administration engaged local non-market housing partners including non-profit housing providers, Indigenous-led organizations, and other municipalities during the development of the drafted tax rebate program.
- Administration continues to liaison with the Government of Alberta, Canada Mortgage and Housing Corporation (CMHC), Build Canada Homes, and Housing, Infrastructure and Communities Canada (HICC) to assess funding alignment opportunities.

Recommendation and Option(s) Analysis

Option 1

Do Not Proceed with the Non-Profit Affordable Housing Tax Rebate Grant Program & Direct Administration to Develop a Non-Market Housing Investment Proposal for Future Consideration

Rationale:

- Bill 20 achieves the intended objective of the proposed tax rebate program by exempting eligible non-profit affordable housing providers from property taxes.
- Implementing the drafted rebate program would create a circular eligibility conflict, whereby City mandated affordability agreements trigger provincial exemptions, which then remove eligibility for the City program itself.
- Redirecting efforts toward a coordinated municipal-provincial-federal partnership could leverage other funding sources at a significantly greater scale.

Community Impacts

- *Social-* Strengthens long-term non-market housing development and improved affordability outcomes by focusing on a coordinated investment plan with critical partners.
- *Economic-* Reduces duplication and improves the return on investment through leveraged federal and provincial partnerships.
- *Environmental-* No direct impacts.

Risks and Mitigation

- *Risk of Delay:* If the City waits too long to define its investment package, other municipalities may move ahead and secure early commitments from federal and provincial programs. Many of the new funding streams, including Build Canada Homes, favour communities that are ready with clear proposals.
- *Mitigation:* Move quickly to prepare the City's coordinated investment package so Lethbridge is positioned as an early leader and not reacting after opportunities have already been committed elsewhere.
- *Risk of Missed Alignment:* Without a clear, coordinated package that shows what the City can bring to the table, federal and provincial partners may not be able to match or align their investments effectively.
- *Mitigation:* Bring forward a complete municipal investment package including land, regulatory tools, incentives, capital, and connected services; so the City can present a unified offer and a clear ask.

Implementation and Communication

- If selected, Administration would formally conclude efforts towards the rebate program and communicate the rationale to housing partners, highlighting Bill 20's applicability and existing municipal support through other avenues.
- Administration will develop and return with a non-market housing investment proposal by Q3 2026 for Council consideration.
- Communication through future CIC meetings, Stakeholder engagements, and coordination with senior government partners.

Option 2

Do Not Proceed with the Non-Profit Affordable Housing Tax Rebate Grant Program and No New Direction.

Rationale:

- This option aligns with Administration's recommendation to conclude the development of a tax rebate program. However, it does not provide direction for future strategic positioning in emerging federal/provincial funding opportunities.

Community Impacts

- *Social-* No adverse social impacts are anticipated, as Bill 20 preserves the affordability benefits intended by the municipal program
- *Economic-* Eliminating the municipal rebate avoids duplicating supports already available through provincial legislation.
- *Environmental-* No direct impacts

Risks and Mitigation

- Without additional direction from Council, opportunities to align with provincial and federal funding partners may progress more slowly. Administration will continue maintaining relationships and monitoring program developments. However, stronger Council guidance would better position the City for emerging opportunities.

Implementation and Communication

- If selected, Administration would formally conclude efforts towards the rebate program and communicate the rationale to housing partners, highlighting Bill 20's applicability and existing municipal support through other avenues.

Attachment(s)

1. Affordable and Social Housing Update- Presentation
2. NPO Affordable Housing Tax Grant Program Guiding Principles

Link(s)

1. [Municipal Housing Strategy](#)