



# Town of Fort Macleod Council Meeting Agenda

Monday, September 25, 2023, 7:00 pm

Council Chambers

G.R. Davis Administration Building

410 20th Street

Fort Macleod, AB T0L 0Z0

*Mayor Brent Feyter, Deputy Mayor Marco Van Huigenbos*

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	<b>Pages</b>
<b>A. CALL TO ORDER</b>	
<b>B. MOMENT OF REFLECTION</b>	
<b>C. APPROVAL OF AGENDAS</b>	
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<b>E. DELEGATIONS</b>	
<b>F. PUBLIC HEARINGS</b>	
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- J. **ADMINISTRATIVE REPORTS**  
*(Quarterly - January, April, July, October)*
- K. **IN CAMERA**
- L. **ADJOURNMENT**



**Town of Fort Macleod  
Council Meeting Minutes**

**Monday, September 11, 2023, 7:00 pm  
Council Chambers  
G.R. Davis Administration Building  
410 20th Street  
Fort Macleod, AB T0L 0Z0**

Council Present: Mayor Brent Feyter, Councillor Aaron Poytress, Councillor Christina Fox, Councillor Mackenzie Hengerer, Councillor Jim Monteith, Councillor Marco Van Huigenbos

Regrets: Councillor Gord Wolstenholme

Administration: Anthony Burdett, CAO, Liisa Gillingham, Director of Community & Protective Services, Keli Sandford, Planning & Development Officer, Meranda Day Chief, Executive Assistant

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**A. CALL TO ORDER**

**Mayor Feyter called the meeting to order at 7:00 pm.**

**B. MOMENT OF REFLECTION**

**C. APPROVAL OF AGENDAS**

**C.1 CONSENT AGENDA**

**R.194.2023**

**Moved by:** Councillor Hengerer

That Council approves the consent agenda as presented.

**CARRIED**

**C.1.a COUNCIL MEETING MINUTES**

**C.1.a.a COUNCIL MEETING MINUTES - AUGUST 28, 2023**

**C.1.b CORRESPONDENCE AND INFORMATION ITEMS**

**C.1.c FINANCIALS**

**C.1.c.a CHEQUE LISTING**

**C.1.d COMMITTEE REPORTS**

C.1.d.aHWY 3 TWINNING ASSOCIATION REPORTS

C.2 REGULAR MEETING AGENDA

**R.195.2023**

**Moved by:** Councillor Fox

That Council approves the meeting with addition.

Addition:

**K2.** Personnel - FOIP Section 17

**CARRIED**

**D. FOR THE GOOD OF COUNCIL**

**E. DELEGATIONS**

**F. PUBLIC HEARINGS**

**G. CONSIDERATION OF DELEGATIONS and PUBLIC HEARINGS**

**H. UNFINISHED BUSINESS**

H.1 ADM 16: PUBLIC PARTICIPATION POLICY

**R.196.2023**

**Moved by:** Councillor Van Huigenbos

That Council approves ADM 16: Public Participation Policy as presented.

**CARRIED**

**I. NEW BUSINESS**

I.1 DEVELOPMENT PERMIT APPLICATION 082-23

**R.197.2023**

**Moved by:** Councillor Hengerer

That Council approves Development Permit Application 082-23, sign in conjunction with Development Permit 024-23 and shall expire on April 10, 2025, unless an extension is approved as presented in "Approval Option 1".

**CARRIED**

I.2 RENTAL FEE WAIVER REQUEST

**R.198.2023**

**Moved by:** Councillor Fox

That Council waives the rental fee for the Empress Theatre and Fort Macleod Pride fundraising event at the Community Hall, October 5, 2023.

**CARRIED**

I.3 DIVERSITY AND INCLUSION

**R.199.2023**

**Moved by:** Councillor Monteith

That Council directs administration to research diversity and inclusion workshops and bring back possible education opportunities for Council's approval.

**CARRIED**

**J. ADMINISTRATIVE REPORTS**

**K. IN CAMERA**

**R.200.2023**

**Moved by:** Councillor Monteith

That Council moves in camera to discuss a land sale and personnel item at 7:36 pm.

**CARRIED**

K.1 LAND SALE

*FOIP Section 16*

K.2 PERSONNEL

*FOIP Section 17*

**R.201.2023**

**Moved by:** Councillor Monteith

That Council moves out of in camera at 8:33 pm.

**L. ADJOURNMENT**

**Mayor Feyter adjourned the meeting at 8:34 pm.**

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Mayor Brent Feyter

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CAO Anthony Burdett



**Town of Fort Macleod  
Committee of the Whole Meeting Minutes**

**Tuesday, September 19, 2023, 7:00 pm  
Conference Room  
G.R. Davis Administration Building  
410 20th Street  
Fort Macleod, AB T0L 0Z0**

Council Present: Councillor Aaron Poytress, Councillor Christina Fox, Councillor Mackenzie Hengerer, Councillor Jim Monteith, Councillor Marco Van Huigenbos

Regrets: Mayor Brent Feyter, Councillor Gord Wolstenholme

Administration: Anthony Burdett, CAO, Meranda Day Chief, Executive Assistant

**A. CALL TO ORDER**

Deputy Mayor Marco Van Huigenbos called the meeting to order at 7:05 pm.

**B. APPROVAL OF AGENDA**

**R.202.2023**

**Moved by:** Councillor Hengerer

That Council approves the meeting agenda with the addition.

Addition

**D. NEW BUSINESS**

**1. ANIMAL CONTROL**

**CARRIED**

**C. UNFINISHED BUSINESS**

**C.1 HOTEL STUDY PRELIM PROJECTIONS**

**D. NEW BUSINESS**

**D.1 ANIMAL CONTROL**

**E. IN CAMERA**

**R.203.2023**

**Moved by:** Councillor Fox

That Council moves in camera to discuss land sale items at 7:06 pm.

**CARRIED**

**E.1 LAND SALES**

**E.2 LAND SALES**

**R.204.2023**

**Moved by:** Councillor Poytress

That Council moves out of in camera at 8:27 pm.

**CARRIED**

**F. ADJOURNMENT**

Deputy Mayor Van Huigenbos adjourned the meeting at 9:12 pm.

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Deputy Mayor Marco Van Huigenbos

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CAO Anthony Burdett

September 18, 2023

## Fort Macleod Emergency Department to temporarily close

FORT MACLEOD – Due to a lack of physician coverage, the Fort Macleod Health Centre Emergency Department (ED) will be temporarily closed from 8 a.m. until 5 p.m. on Tuesday, Sept. 19.

During the temporary closure, nursing staff will remain on-site to provide care for long-term care residents.

AHS is working hard to ensure local residents continue to have access to the care they need during this time.

Patients are asked to **call 911 if they have a medical emergency**. EMS calls will be re-routed to Chinook Regional Hospital in Lethbridge (49 km). Patients seeking care can access emergency services at the Pincher Creek Health Centre, Cardston Health Centre or Chinook Regional Hospital in Lethbridge.

Residents are reminded to **call Health Link at 811**, which is available 24/7 for non-emergency health-related questions. Individuals requiring non-emergency medical care are also encouraged to call their family physician.

We are thankful for the support of surrounding healthcare centres and medical staff and would like to thank the community for their patience and understanding during this time.

Alberta Health Services is the provincial health authority responsible for planning and delivering health supports and services for more than four million adults and children living in Alberta. Our mission is to provide a patient-focused, quality health system that is accessible and sustainable for all Albertans. Our current focus is on reducing emergency department wait-times, improving EMS response times, increasing access to surgeries, and improving patient flow.



September 6, 2023

## Fort Macleod Emergency Department to temporarily close

FORT MACLEOD – Due to a lack of physician coverage, the Fort Macleod Health Centre Emergency Department (ED) will be temporarily closed at 8 a.m. Thursday, Sept. 7. The ED will re-open at 8 a.m. Friday, Sept. 8 to provide 24-hour service.

During the temporary closure, nursing staff will remain on-site to provide care for long-term care residents.

AHS is working hard to ensure local residents continue to have access to the care they need during this time.

Patients are asked to **call 911 if they have a medical emergency**. EMS calls will be re-routed to Chinook Regional Hospital in Lethbridge (49 km). Patients seeking care can access emergency services at the Pincher Creek Health Centre, Cardston Health Centre or Chinook Regional Hospital in Lethbridge.

Residents are reminded to **call Health Link at 811**, which is available 24/7 for non-emergency health-related questions. Individuals requiring non-emergency medical care are also encouraged to call their family physician.

We are thankful for the support of surrounding healthcare centres and medical staff and would like to thank the community for their patience and understanding during this time.

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September 7, 2023

## Fort Macleod Emergency Department open

FORT MACLEOD – The Fort Macleod Health Centre Emergency Department (ED) will resume 24/7 coverage at 2 p.m. today, Sept. 7.

Physician coverage has been secured, ending the closure that began at 8 a.m. this morning and was anticipated to continue until 8 a.m. tomorrow, Sept. 8.

We are thankful for the support of surrounding healthcare centres and medical staff and would like to thank the community for their patience and understanding.

Alberta Health Services is the provincial health authority responsible for planning and delivering health supports and services for more than four million adults and children living in Alberta. Our mission is to provide a patient-focused, quality health system that is accessible and sustainable for all Albertans. Our current focus is on reducing emergency department wait-times, improving EMS response times, increasing access to surgeries, and improving patient flow.



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# **HOTEL FEASIBILITY STUDY**

## **RECOMMENDATION:**

That Council accepts the Hotel Feasibility Phase 1 Preliminary Projections report from Cushman & Wakefield as presented and further directs Administration to work with the Fort Macleod Chamber of Commerce to utilize and market the report to attract potential hotel investors to Fort Macleod.

## **DETAILS & BACKGROUND:**

June 26, 2023 – Council approved working with the Fort Macleod Chamber of Commerce for the consultation and appraisal proposal by Cushman & Wakefield for a hotel market study.

September 19, 2023 – Council reviewed the Phase 1 preliminary projections report from Cushman & Wakefield at their Committee of the Whole meeting.

## **FINANCIAL IMPLICATIONS:**

N/A

## **COUNCIL STRATEGIC PLAN:**

*How is this submission supporting Council's Strategic Plan, Vision, and Mission?*

*Vision: A vibrant, growing community full of opportunity.*

*Mission: To provide high-quality service in an efficient and responsible manner.*

-This submission is GROWING Fort Macleod. (Supporting priorities such as Residential Housing, Infrastructure, or Business Growth)

## **ATTACHMENTS:**

Phase 1 Preliminary Projections report from Cushman & Wakefield

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**PREPARED BY:** Meranda Day Chief, Executive Assistant & Anthony Burdett, CAO

**APPROVED BY:** Anthony Burdett, CAO

## PRELIMINARY REPORTING MEMO

August 31, 2023

Anthony Burdett  
**Town of Fort Macleod**  
Box 1420, 410 20th Street  
Fort Macleod, AB

**Proposed Branded Upper Midscale Hotel Fort Macleod**  
18th Street and 8A Avenue  
Fort Macleod, Alberta

C&W File ID: 23-113-900055

Dear Mr. Burdett:

In fulfillment of our agreement as outlined in the Letter of Engagement, we are pleased to provide you with preliminary draft projections for your review prior to the issue of our draft report.

Please note that projections provided herein are preliminary and may change prior to the final report. The preliminary draft projections herein are for your internal use only and should not be shared with third parties for any purpose without our prior consent.

Please note that the effective dates of the appraisal are January 1, 2027 - the assumed date of completion, and January 1, 2031 – the date of stabilization.

The value opinion is qualified by certain assumptions, limiting conditions, certifications, and definitions which will be set out in the appraisal report. The valuation may also be based on certain extraordinary assumptions or hypothetical conditions as follows:

- It is assumed the proposed hotel will be developed as outlined in this report and will be completed by the effective date of valuation.
- It is assumed the proposed development will obtain all necessary municipal approvals to allow for the proposed development.

Please contact us with any questions or comments once you have reviewed.

The Town of Fort Macleod has a new area structure plan on the east side known as Macleod Landing. We were requested by the Client to prepare projections for a 60 to 80-room branded upper midscale hotel as part of the Client's due diligence prior to marketing the site to a potential hotel investor.

We reviewed the local competitive set of existing hotels and motels in the Town of Macleod as shown in the following chart:

Local Hotels Profile											
No.	Name/Location	Year Built	Number of Rooms	Total Meeting Space (SF)	Meeting Space SF per Room	Major Facilities					Overall Condition/Recent Renovations
						Restaurant	Bar	Free Breakfast	Hot Tub	Swimming Pool	
S	<b>Proposed Hotel Fort Macleod 18th Street and 8A Avenue</b>	2027	60	400	7						
1	Hotel Bethel 416 24 Street	n/a	6	-	-						Standard guest rooms with a private bathroom. Amenities in-room include coffee maker, microwave, and mini-fridge. Some rooms have a wet bar. The motel is in good condition, and appears to have been renovated recently with hardwood floors and new furniture. The motel is under OYO Hotels & Homes.
2	Red Coat Inn 359 24 Street	1953	28	-	-						Standard guest rooms with a private bathroom. Amenities in-room include coffee maker, microwave, and mini-fridge. Some units have a full kitchen and two bedrooms. The motel has not been renovated in recent years and is in fair to good condition.
3	Century II Motel 462 24 Street	n/a	14	-	-						Standard guest rooms with a private bathroom. Amenities in-room include coffee maker, microwave, and mini-fridge. Some rooms have a wet bar. The motel has not been renovated in recent years and is in fair to good condition.
4	Sunset Motel 104 AB-3	n/a	22	-	-						Standard guest rooms with one or two beds and a private bathroom. Amenities in-room include coffee maker, microwave, and mini-fridge. Some rooms have a full kitchen. The motel has not been renovated in recent years and is in fair to good condition.
5	Fort Motel 451 24 Street	circa 1950	27	-	-						Standard guest rooms with one or two beds and a private bathroom. Amenities in-room include coffee maker, microwave, and mini-fridge. Some rooms have a full kitchen. The motel has not been renovated in recent years and is in fair to good condition.

None of the aforementioned hotels and motels contribute to Smith Travel Research's (STR) database. Therefore, we reviewed the performance of select hotels in the surrounding region of Fort MacLeod which contribute to the STR database.

We selected a competitive set of hotels located in the surrounding communities of Fort Macleod in order to understand historic hotel performance in the region. The following competitive set is comprised of branded economy to upper midscale hotels situated in the nearby communities of Pincher Creek, Taber, Okotoks and Higher River, Alberta.

Competitive Hotels Profile							Major Facilities				Overall Condition/Recent Renovations	
No.	Name/Location	Year Built	Number of Rooms	Total Meeting Space (SF)	Meeting Space SF per Room	Restaurant	Bar	Free Breakfast	Hot Tub	Swimming Pool		Fitness Centre
S	<b>Proposed Hotel Fort Macleod 18th Street and 8A Avenue</b>	2027	60	900	15							
1	Econo Lodge Inn & Suites Pincher Creek 1049 Wateron Avenue	1978/2023	30	n/a	n/a			X				The Foothills Motel, an exterior corridor property, underwent a \$1.2 million renovation and converted to a Econo Lodge Inn & Suites in February 2023. The hotel offers standard guest rooms as well as some suites with fully equipped kitchenettes. The hotel is in very good condition.
2	Super 8 Pincher Creek 1307 Freebairn Avenue	1996	49	n/a	n/a			X	X	X		The hotel was last renovated in 2006 and is in fair to good condition. The hotel offers standard guest rooms with one or two beds.
3	Ramada Pincher Creek 1132 Table Mountain Street	2007	78	1,100	14			X		X	X	The hotel was built in 2007 and is in good condition. The hotel offers standard guest rooms with one or two beds. Some suites have kitchenettes and fireplaces. Majority of the guest rooms are interior corridor with a select few on the ground level that have exterior corridor access.
4	Travelodge Pincher Creek 1255 McEachern Street	2018	40	600	15	X	X	X				The hotel was built in 2018 and is in very good condition. The hotel has interior and exterior corridor guest rooms. The hotel offers standard guest rooms with one or two beds.
5	Econo Lodge Taber 5302 46 Avenue	1985	50	388	8			X			X	The hotel was renovated in 2016 and is in good condition. The hotel offers standard guest rooms with one or two beds.
6	Super 8 Taber 5700 46 Avenue	1996	48	n/a	n/a			X				The hotel has not been renovated in the last 10 years. The hotel is in good condition. The hotel has interior and exterior corridor guest rooms. The property offers standard guest rooms with one or two beds.
7	Best Western Plus Okotoks Inn & Suites 100 Southbank Road	2014	82	4,125	50			X	X	X	X	The hotel was built in 2014 and is in very good condition. The property offers standard guest rooms with one or two beds and a pullout sofa. Some suites have kitchenettes.
8	Econo Lodge Okotoks 59 Riverside Gate	n/a	40	n/a	n/a			X				The hotel was previously the Okotoks Country Inn that was converted to an Econo Lodge. It is unknown when the renovations and conversion occurred. The hotel is in good condition. The property offers standard guest rooms with one or two beds.
9	Super 8 High River 1601 13 Avenue SE	2001	59	n/a	n/a			X	X	X	X	The hotel was built in 2001 and has not undergone renovations since opening. The hotel has interior and exterior corridor guest rooms. The property offers standard guest rooms with one to three beds.
10	Ramada High River 1512 13 Avenue SE	2007	83	1,026	12			X	X	X	X	The hotel was renovated in 2014 and is in good condition. The property offers standard guest rooms with one to three beds. Some suites have kitchenettes or wet bars.

Based on a review of the competitive set facilities and discussions with a franchise representative for Choice Hotels International, Inc., we prepared market and financial projections for a proposed 60-room branded upper midscale hotel situated at Macleod Landing in the Town of Fort Macleod. The amenities recommended are based on a review of the facilities at the competitive set and local hotels, and our knowledge of the hotel market.

### Summary of Subject Property

Property Name	Proposed Hotel Fort Macleod
Property Type	Limited-service Hotel
Year Built	2027
Number of Storeys	TBD
Number of Guest Rooms	60
Major Facilities	900 SF of Meeting & Event Space Breakfast Room Complimentary Breakfast Business Centre Fitness Centre Indoor Swimming Pool & Waterslide

The following chart summarizes the historic performance of hotels in Alberta. In 2020, RevPAR declined by 54% due to the negative impacts on travel related to the COVID-19 pandemic. Hotels in Alberta recovered from the pandemic in 2022 with a RevPAR of \$90.54, 5.8% above 2019 levels. Based on YTD 2023 results, RevPAR continues to improve.

### Alberta Market Historical Rooms Performance

Year	Supply % Change	Demand % Change	Occ	% Change	ADR	% Change	RevPAR	% Change
2018	----	----	57.0%	----	\$153.99	----	\$87.73	----
2019	3.0%	0.5%	55.6%	-2.4%	\$154.02	0.0%	\$85.61	-2.4%
2020	-3.5%	-46.7%	30.8%	-44.5%	\$127.85	-17.0%	\$39.43	-53.9%
2021	2.0%	24.8%	37.8%	22.6%	\$134.10	4.9%	\$50.69	28.6%
2022	0.9%	47.2%	55.2%	46.0%	\$164.06	22.3%	\$90.54	78.6%
Average Annual % Change	0.6%	-0.4%		-0.8%		1.6%		0.8%
YTD July 2022	----	----	53.1%	----	\$159.90	----	\$84.90	----
YTD July 2023	0.9%	10.8%	58.3%	9.8%	\$175.45	9.7%	\$102.26	20.4%

Source: STR



The following chart summarizes the historic performance of hotels in the selected competitive set. In 2020, RevPAR declined by 30% due to the negative impacts on travel related to the COVID-19 pandemic. Hotels in the competitive set recovered from the pandemic in 2022 with a RevPAR of \$69.23, 19.5% above 2019 levels. Based on YTD 2023 results, RevPAR continues to improve.

#### Competitive Market's Historical Rooms Performance

Year	Rooms	Supply	% Change	Demand	% Change	Occ	% Change	ADR	% Change	RevPAR	% Change
2018	529	193,207	----	88,249	----	45.7%	----	\$124.82	----	\$57.01	----
2019	560	204,400	5.8%	97,981	11.0%	47.9%	4.9%	\$120.85	-3.2%	\$57.93	1.6%
2020	560	204,400	0.0%	77,516	-20.9%	37.9%	-20.9%	\$107.34	-11.2%	\$40.71	-29.7%
2021	559	204,155	-0.1%	86,505	11.6%	42.4%	11.7%	\$116.85	8.9%	\$49.51	21.6%
2022	559	204,035	-0.1%	108,440	25.4%	53.1%	25.4%	\$130.26	11.5%	\$69.23	39.8%
Average Annual % Change			1.4%		5.3%		3.9%		1.1%		5.0%
YTD June 2022	559	101,179	----	46,924	----	46.4%	----	\$122.98	----	\$57.04	----
YTD June 2023	559	101,179	0.0%	49,147	4.7%	48.6%	4.7%	\$131.35	6.8%	\$63.80	11.9%

Source: STR

Based on our research, we are only aware of one proposed hotel for the Town of Fort Macleod:

#### Summary of Proposed New Supply

No.	Name	Rooms	Impact Factor	Type	Assumed Opening	Status
1	Queen's Hotel (207 24 Street)	12	0%	Boutique	TBD	Planning

Compiled by Cushman & Wakefield ULC

The following charts outline our projections for the market and subject hotel:

<b>Projection of Subject Penetration, Market Share, and Occupancy</b>						
	<b>2027</b>	<b>2028</b>	<b>Projection 2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>
<b>Subject Property Fair Share</b>						
Market Room Supply	619	619	619	619	619	619
Subject Property Room Count	60	60	60	60	60	60
<b>Fair Share</b>	<b>9.7%</b>	<b>9.7%</b>	<b>9.7%</b>	<b>9.7%</b>	<b>9.7%</b>	<b>9.7%</b>
<b>Room-Nights Captured by Subject</b>						
<b>Transient</b>						
Penetration Factor	95.0%	100.0%	105.0%	105.0%	105.0%	105.0%
Market Share	9.2%	9.7%	10.2%	10.2%	10.2%	10.2%
Demand	84,621	85,891	87,179	88,487	89,814	89,814
Market Share	9.2%	9.7%	10.2%	10.2%	10.2%	10.2%
Capture	7,792	8,325	8,873	9,006	9,141	9,141
<b>Group</b>						
Penetration Factor	350.0%	350.0%	360.0%	360.0%	360.0%	360.0%
Market Share	33.9%	33.9%	34.9%	34.9%	34.9%	34.9%
Demand	6,409	6,505	6,603	6,702	6,803	6,803
Market Share	33.9%	33.9%	34.9%	34.9%	34.9%	34.9%
Capture	2,174	2,207	2,304	2,339	2,374	2,374
<b>Other</b>						
Penetration Factor	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
Market Share	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%
Demand	23,325	23,674	24,029	24,389	24,755	24,755
Market Share	4.8%	4.8%	4.8%	4.8%	4.8%	4.8%
Capture	1,130	1,147	1,165	1,182	1,200	1,200
<b>Total Capture</b>	<b>11,097</b>	<b>11,680</b>	<b>12,342</b>	<b>12,527</b>	<b>12,715</b>	<b>12,715</b>
<b>Subject Property Projected Occupancy</b>						
<b>Calendar Year</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>
Room-Nights Captured	11,097	11,680	12,342	12,527	12,715	12,715
Available Room-Nights	21,900	21,900	21,900	21,900	21,900	21,900
Occupancy	50.7%	53.3%	56.4%	57.2%	58.1%	58.1%
<b>Fiscal Year Adjustment</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>Stabilized</b>	<b>2032</b>
First Calendar Year %	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Second Calendar Year %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Adjusted Room-Nights Accommodated	11,097	11,680	12,342	12,527	12,715	12,715
Occupancy	50.7%	53.3%	56.4%	57.2%	58.1%	58.1%
<b>Rounded Occupancy</b>	<b>51%</b>	<b>53%</b>	<b>56%</b>	<b>57%</b>	<b>58%</b>	<b>58%</b>
<b>Overall Occupancy Share</b>	<b>100.1%</b>	<b>103.8%</b>	<b>108.1%</b>	<b>108.1%</b>	<b>108.1%</b>	<b>108.1%</b>

### Projection of Subject's ADR

	Year 1	Year 2	Projection Year 3	Year 4	Year 5	Year 6
<b>Calendar Year</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>
Projected ADR	\$155.00	\$158.88	\$162.85	\$166.92	\$171.09	\$175.37
ADR % Change	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%








### Subject Projected Occupancy, ADR and RevPAR Performance

	Historical					YTD June 2022	YTD June 2023	Projection									
	2018	2019	2020	2021	2022			2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Subject Occupancy												51%	53%	56%	57%	58%	58%
<i>Point Change</i>												2.7	3.0	0.8	0.9	0.0	0.0
Market-wide Occupancy	46%	48%	38%	42%	53%	46%	49%	57%	52%	51%	53%	51%	51%	52%	53%	54%	54%
<i>Point Change</i>		2.3	-10.0	4.4	10.8		2.2	3.5	-4.2	-1.2	1.3	-2.0	0.8	0.8	0.8	0.8	0.0
Subject Occupancy Share												100%	104%	108%	108%	108%	108%
<i>Point Change</i>												3.7	4.3	0.0	0.0	0.0	0.0
Subject ADR												\$155.00	\$158.88	\$162.85	\$166.92	\$171.09	\$175.37
<i>Percentage Change</i>												2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Market-wide ADR	\$124.82	\$120.85	\$107.34	\$116.85	\$130.26	\$122.98	\$131.35	\$139.56	\$136.07	\$139.47	\$142.96	\$146.53	\$150.20	\$153.95	\$157.80	\$161.74	\$165.79
<i>Percentage Change</i>		-3.2%	-11.2%	8.9%	11.5%		6.8%	7.1%	-2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Subject ADR Penetration												106%	106%	106%	106%	106%	106%
<i>Percentage Change</i>												0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Subject RevPAR												\$78.54	\$84.73	\$91.77	\$95.48	\$99.33	\$101.82
<i>Percentage Change</i>												7.9%	8.3%	8.3%	4.0%	4.0%	2.5%
Market-wide RevPAR	\$57.01	\$57.93	\$40.71	\$49.51	\$69.23	\$57.04	\$63.80	\$79.02	\$71.38	\$71.55	\$75.18	\$74.17	\$77.16	\$80.28	\$83.52	\$86.89	\$89.06
<i>Percentage Change</i>		1.6%	-29.7%	21.6%	39.8%		11.9%	14.1%	-9.7%	0.2%	5.1%	-1.3%	4.0%	4.0%	4.0%	4.0%	2.5%
Subject RevPAR Index												106%	110%	114%	114%	114%	114%
<i>Percentage Change</i>												3.7%	4.1%	0.0%	0.0%	0.0%	0.0%

### Comparable Income & Expense Statements - Upper Midscale Hotels

	Proposed Subject			Hotel 1			Hotel 2			Hotel 3			Hotel 4			Hotel 5		
	Ratio to Sales	PAR	POR	Ratio to Sales	PAR	POR	Ratio to Sales	PAR	POR	Ratio to Sales	PAR	POR	Ratio to Sales	PAR	POR	Ratio to Sales	PAR	POR
Occupancy:	51%			58%			44%			68%			51%			72%		
Number of Rooms:	60			51-100			51-100			51-100			51-100			51-100		
Average Rate:			\$155			\$93			\$123			\$103			\$118			\$118
<b>REVENUES</b>																		
Rooms	98.4%	\$28,667	\$155	94.2%	\$19,497	\$93	99.4%	\$19,980	\$123	99.7%	\$25,646	\$103	98.1%	\$21,891	\$118	99.2%	\$30,969	\$118
Other Income	1.6%	\$462	\$3	5.8%	\$1,208	\$6	0.6%	\$130	\$1	0.3%	\$82	\$0	1.9%	\$433	\$2	0.8%	\$239	\$1
<b>Total Revenues</b>	100.0%	\$29,130	\$158	100.0%	\$20,705	\$99	100.0%	\$20,110	\$124	100.0%	\$25,728	\$103	100.0%	\$22,324	\$120	100.0%	\$31,208	\$119
<b>DEPARTMENTAL EXPENSES</b>																		
Rooms	31.3%	\$8,976	\$49	30.0%	\$5,851	\$28	35.6%	\$7,107	\$44	32.4%	\$8,301	\$33	38.4%	\$8,397	\$45	31.7%	\$9,804	\$37
Other Income	0.0%	\$0	\$0	39.2%	\$473	\$2	0.5%	\$1	\$0	0.0%	\$0	\$0	62.4%	\$270	\$1	7.5%	\$18	\$0
<b>Total Departmental Expenses</b>	30.8%	\$8,976	\$49	30.5%	\$6,325	\$30	35.3%	\$7,107	\$44	32.3%	\$8,301	\$33	38.8%	\$8,667	\$46	31.5%	\$9,822	\$37
<b>DEPARTMENTAL INCOME</b>	69.2%	\$20,154	\$109	69.5%	\$14,381	\$68	64.7%	\$13,003	\$80	67.7%	\$17,426	\$70	61.2%	\$13,657	\$73	68.5%	\$21,386	\$82
<b>UNDISTRIBUTED OPERATING EXPENSES</b>																		
Administrative & General	8.8%	\$2,566	\$14	8.1%	\$1,672	\$8	8.5%	\$1,709	\$11	8.3%	\$2,145	\$9	12.5%	\$2,784	\$15	9.3%	\$2,915	\$11
Sales & Marketing	3.4%	\$1,002	\$5	5.5%	\$1,129	\$5	5.0%	\$1,003	\$6	4.7%	\$1,205	\$5	5.5%	\$1,235	\$7	5.5%	\$1,713	\$7
Franchise Fees	5.9%	\$1,720	\$9				0.8%	\$169	\$1	0.6%	\$167	\$1	0.7%	\$167	\$1	0.5%	\$162	\$1
Property Operations & Maintenance	3.4%	\$1,000	\$5	3.8%	\$783	\$4	4.0%	\$798	\$5	4.0%	\$1,027	\$4	3.7%	\$825	\$4	3.3%	\$1,038	\$4
Utilities	4.5%	\$1,300	\$7	4.4%	\$921	\$4	7.7%	\$1,544	\$10	3.7%	\$947	\$4	4.0%	\$893	\$5	4.0%	\$1,237	\$5
IT Systems	2.0%	\$583	\$3	1.7%	\$349	\$2	2.1%	\$416	\$3	2.0%	\$519	\$2	2.0%	\$440	\$2	1.4%	\$428	\$2
<b>Total Undistributed Operating Expenses</b>	28.0%	\$8,171	\$44	23.4%	\$4,853	\$23	28.0%	\$5,640	\$35	23.4%	\$6,010	\$24	28.4%	\$6,344	\$34	24.0%	\$7,493	\$30
<b>MANAGEMENT FEES</b>																		
Base Fee (Normalized)	3.0%	\$874	\$5	3.0%	\$621	\$3	3.0%	\$603	\$4	3.0%	\$772	\$3	3.0%	\$670	\$4	3.0%	\$936	\$4
Incentive Fee	0.0%	\$0	\$0															
<b>Total Management Fees</b>	3.0%	\$874	\$5	3.0%	\$621	\$3	3.0%	\$603	\$4	3.0%	\$772	\$3	3.0%	\$670	\$4	3.0%	\$936	\$4
<b>GROSS OPERATING PROFIT</b>	38.1%	\$11,109	\$60	43.0%	\$8,907	\$42	33.6%	\$6,760	\$42	41.4%	\$10,645	\$43	29.8%	\$6,643	\$36	41.5%	\$12,957	\$48
<b>FIXED EXPENSES</b>																		
Property Taxes	4.5%	\$1,319	\$7	7.7%	\$1,592	\$8	7.1%	\$1,428	\$9	4.8%	\$1,244	\$5	4.1%	\$915	\$5	7.8%	\$2,434	\$9
Insurance	1.4%	\$400	\$2	0.5%	\$109	\$1	0.6%	\$116	\$1	0.5%	\$129	\$1	0.6%	\$124	\$1	0.4%	\$134	\$1
Reserve for Replacement (Normalized)	2.0%	\$583	\$3	4.0%	\$828	\$4	4.0%	\$804	\$5	4.0%	\$1,029	\$4	4.0%	\$893	\$5	0.0%		
<b>Total Fixed Expenses</b>	7.9%	\$2,302	\$12	12.2%	\$2,529	\$13	11.7%	\$2,347	\$14	9.3%	\$2,402	\$10	8.7%	\$1,932	\$10	8.2%	\$2,568	\$10
<b>NET OPERATING INCOME</b>	30.2%	\$8,807	\$48	30.8%	\$6,377	\$29	21.9%	\$4,412	\$27	32.0%	\$8,243	\$33	21.1%	\$4,711	\$25	33.3%	\$10,389	\$38

Compiled by Cushman &amp; Wakefield ULC

Improved Hotel Sales Comparison Chart								
Subject Property Proposed Hotel Fort Macleod	Listing Superlodge Lethbridge	Listing Red Coat Inn	Improve Sale 1 Days Inn & Suites Airdrie	Improved Sale 2 Canalta Ponoka (Converted to Ramada)	Improved Sale 3 Best Western Plus The Inn At St. Albert, Best Western Plus Drayton Valley All Suites	Improved Sale 4 Super 8 High River	Improved Sale 5 Comfort Inn Lethbridge	
<b>Exterior Photo</b>								
								
<b>Property Information</b>								
Address	18th Street and 8A Avenue Fort Macleod	2210 7 Avenue South Lethbridge, AB	359 24 Street Fort Macleod, AB	911 Highland Park Cove NE Airdrie	16707 Highway 53 Ponoka, AB	460 St Albert Trail, 2252 50 St Drayton Valley and St. Albert, AB	1601 12 Avenue SE High River, AB	3226 Fairway Plaza South Lethbridge, AB
Property Type	Limited-service Hotel	Limited-service Hotel	Motel	Focused-service Hotel	Limited-service Hotel	Focused-service Hotels	Limited-service Hotel	Limited-service Hotel
Year Built	2027	1973	1953	2017	2005	2010, 2014	2001	2001
Overall Condition	Excellent (Anticipated)	Fair to Good	Fair to Good	Very Good	Good	Good	Fair to Good	Good
Brand Affiliation	Independent	Independent	Independent	Days Inn	Canalta	Best Western	Super 8	Comfort Inn
Number of Guest Rooms	60	89	28	93	49	180	60	60
Major Facilities	900 SF of Meeting & Event Space	Outdoor Swimming Pool	842 SF of Meeting & Event Space	300 SF of Meeting & Event Space	5,382 SF of Meeting & Event Space (St. Albert)	720 SF of Meeting space	Breakfast area	Breakfast area
	Breakfast Room Complimentary Breakfast Business Centre Fitness Centre Indoor Swimming Pool & Waterslide	Guest Laundry Available Kitchenette Units	Breakfast Room Business Centre Fitness Centre Indoor Pool and Hot Tub Sundries Market Complimentary Breakfast Guest Laundry	Breakfast Room Business Centre Fitness Centre Indoor Pool and Hot Tub Sundries Market Complimentary Breakfast Guest Laundry	A&W Restaurant (Leased) Indoor Swimming Pool w/ Waterslide Hot Tub Fitness Centre Business Centre Guest Laundry Facilities Complimentary Breakfast	Breakfast Room Fitness Centre Swimming Pool (St. Albert)	Complimentary Breakfast Business Centre	Indoor Hot Tub Laundry facilities
<b>Transaction Information</b>								
Sale Date		Guidance Price	Guidance Price	June-23	December-22	November-22	March-20	February-20
Sale Price		\$2,600,000	\$1,390,000	\$9,600,000	\$2,950,000	\$19,760,000	\$3,520,000	\$3,900,000
Sale Price Per Room		\$29,213	\$49,643	\$103,226	\$60,204	\$109,778	\$58,667	\$65,000
Real Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Seller				Good Heart Investment Inc.	Private Investor	Private Investor	Canalta Hotels (Canalta Real Estate Services Ltd.)	Private Investor
Buyer				TNB Airdrie Ltd.	Private Investor	Private Investor	Rifar Inc.	Mahal Investments (2019) Ltd.
<b>Investment Information</b>								
Reported Cap Rate				Confidential	7.8%	N/A	Confidential	N/A
Estimated NOI Per Room	\$8,800			Confidential	\$4,696	N/A	Confidential	N/A
Notes					Rebranded to a Ramada upon acquisition.	Two-property portfolio.		

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### Ten Year Forecast (As Complete) - Proposed Hotel Fort Macleod

Projection Year:	1	2	3	4	5	6	7	8	9	10
Calendar Year:	2027	2028	2029	2030	Stabilized	2032	2033	2034	2035	2036
Days in Year:	365	365	365	365	365	365	365	365	365	365
Number of Rooms:	60	60	60	60	60	60	60	60	60	60
Rooms Available:	21,900	21,900	21,900	21,900	21,900	21,900	21,900	21,900	21,900	21,900
Occupied Rooms:	11,097	11,680	12,342	12,527	12,715	12,715	12,715	12,715	12,715	12,715
Occupancy:	50.7%	53.3%	56.4%	57.2%	58.1%	58.1%	58.1%	58.1%	58.1%	58.1%
Average Rate:	\$155.00	\$158.88	\$162.85	\$166.92	\$171.09	\$175.37	\$179.75	\$184.25	\$188.85	\$193.57
RevPAR:	\$76.54	\$84.73	\$91.77	\$95.48	\$99.33	\$101.82	\$104.36	\$106.97	\$109.64	\$112.38

	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
	(000's)	Gross	(000's)	Gross	(000's)	Gross	(000's)	Gross	(000's)	Gross	(000's)	Gross	(000's)	Gross	(000's)	Gross	(000's)	Gross	(000's)	Gross
<b>REVENUES</b>																				
Rooms	\$1,720	98.4%	\$1,856	98.4%	\$2,010	98.4%	\$2,091	98.4%	\$2,175	98.4%	\$2,230	98.4%	\$2,285	98.4%	\$2,343	98.4%	\$2,401	98.4%	\$2,461	98.4%
Other Income (Net)	28	1.6%	30	1.6%	32	1.6%	33	1.6%	34	1.6%	35	1.6%	36	1.6%	37	1.6%	38	1.6%	39	1.6%
<b>Total Revenues</b>	<b>1,748</b>	<b>100.0%</b>	<b>1,886</b>	<b>100.0%</b>	<b>2,042</b>	<b>100.0%</b>	<b>2,124</b>	<b>100.0%</b>	<b>2,209</b>	<b>100.0%</b>	<b>2,265</b>	<b>100.0%</b>	<b>2,321</b>	<b>100.0%</b>	<b>2,380</b>	<b>100.0%</b>	<b>2,439</b>	<b>100.0%</b>	<b>2,500</b>	<b>100.0%</b>
<b>DEPARTMENTAL EXPENSES</b>																				
Rooms	539	31.3%	584	31.5%	592	29.5%	613	29.3%	634	29.2%	650	29.2%	667	29.2%	683	29.2%	700	29.2%	718	29.2%
<b>Total Departmental Expenses</b>	<b>539</b>	<b>30.8%</b>	<b>584</b>	<b>31.0%</b>	<b>592</b>	<b>29.0%</b>	<b>613</b>	<b>28.9%</b>	<b>634</b>	<b>28.7%</b>	<b>650</b>	<b>28.7%</b>	<b>667</b>	<b>28.7%</b>	<b>683</b>	<b>28.7%</b>	<b>700</b>	<b>28.7%</b>	<b>718</b>	<b>28.7%</b>
<b>DEPARTMENTAL INCOME</b>	<b>1,209</b>	<b>69.2%</b>	<b>1,302</b>	<b>69.0%</b>	<b>1,449</b>	<b>71.0%</b>	<b>1,511</b>	<b>71.1%</b>	<b>1,575</b>	<b>71.3%</b>	<b>1,615</b>	<b>71.3%</b>	<b>1,655</b>	<b>71.3%</b>	<b>1,697</b>	<b>71.3%</b>	<b>1,739</b>	<b>71.3%</b>	<b>1,782</b>	<b>71.3%</b>
<b>UNDISTRIBUTED OPERATING EXPENSES</b>																				
Administrative & General	154	8.8%	163	8.7%	174	8.5%	180	8.5%	186	8.4%	191	8.4%	196	8.4%	201	8.4%	206	8.4%	211	8.4%
Sales & Marketing	60	3.4%	64	3.4%	68	3.3%	71	3.3%	73	3.3%	75	3.3%	77	3.3%	79	3.3%	81	3.3%	83	3.3%
Franchise Fees	103	5.9%	111	5.9%	121	5.9%	125	5.9%	131	5.9%	145	6.4%	149	6.4%	152	6.4%	156	6.4%	160	6.4%
Property Operations & Maintenance	60	3.4%	81	4.3%	95	4.7%	98	4.6%	102	4.6%	104	4.6%	107	4.6%	110	4.6%	112	4.6%	115	4.6%
Utilities	78	4.5%	83	4.4%	88	4.3%	91	4.3%	94	4.3%	97	4.3%	99	4.3%	102	4.3%	104	4.3%	107	4.3%
IT Systems	35	2.0%	37	2.0%	39	1.9%	41	1.9%	42	1.9%	43	1.9%	44	1.9%	46	1.9%	47	1.9%	48	1.9%
<b>Total Undistributed Operating Expenses</b>	<b>490</b>	<b>28.0%</b>	<b>539</b>	<b>28.7%</b>	<b>585</b>	<b>28.6%</b>	<b>606</b>	<b>28.5%</b>	<b>628</b>	<b>28.4%</b>	<b>655</b>	<b>28.9%</b>	<b>672</b>	<b>28.9%</b>	<b>688</b>	<b>28.9%</b>	<b>706</b>	<b>28.9%</b>	<b>723</b>	<b>28.9%</b>
<b>MANAGEMENT FEES</b>																				
Base Fee	52	3.0%	57	3.0%	61	3.0%	64	3.0%	66	3.0%	68	3.0%	70	3.0%	71	3.0%	73	3.0%	75	3.0%
<b>Total Management Fees</b>	<b>52</b>	<b>3.0%</b>	<b>57</b>	<b>3.0%</b>	<b>61</b>	<b>3.0%</b>	<b>64</b>	<b>3.0%</b>	<b>66</b>	<b>3.0%</b>	<b>68</b>	<b>3.0%</b>	<b>70</b>	<b>3.0%</b>	<b>71</b>	<b>3.0%</b>	<b>73</b>	<b>3.0%</b>	<b>75</b>	<b>3.0%</b>
<b>GROSS OPERATING PROFIT</b>	<b>667</b>	<b>38.2%</b>	<b>706</b>	<b>37.3%</b>	<b>803</b>	<b>39.4%</b>	<b>841</b>	<b>39.6%</b>	<b>880</b>	<b>39.9%</b>	<b>892</b>	<b>39.4%</b>	<b>913</b>	<b>39.4%</b>	<b>937</b>	<b>39.4%</b>	<b>960</b>	<b>39.4%</b>	<b>984</b>	<b>39.4%</b>
<b>FIXED EXPENSES</b>																				
Property Taxes	79	4.5%	81	4.3%	83	4.1%	85	4.0%	87	4.0%	90	4.0%	92	4.0%	94	4.0%	96	4.0%	99	4.0%
Insurance	24	1.4%	25	1.3%	25	1.2%	26	1.2%	26	1.2%	27	1.2%	28	1.2%	29	1.2%	29	1.2%	30	1.2%
Reserve for Replacement	35	2.0%	57	3.0%	82	4.0%	85	4.0%	88	4.0%	91	4.0%	93	4.0%	95	4.0%	98	4.0%	100	4.0%
<b>Total Fixed Expenses</b>	<b>138</b>	<b>7.9%</b>	<b>162</b>	<b>8.6%</b>	<b>190</b>	<b>9.3%</b>	<b>196</b>	<b>9.2%</b>	<b>202</b>	<b>9.2%</b>	<b>207</b>	<b>9.2%</b>	<b>213</b>	<b>9.2%</b>	<b>218</b>	<b>9.2%</b>	<b>223</b>	<b>9.2%</b>	<b>229</b>	<b>9.2%</b>
<b>NET OPERATING INCOME</b>	<b>528</b>	<b>30.3%</b>	<b>543</b>	<b>28.7%</b>	<b>613</b>	<b>30.1%</b>	<b>645</b>	<b>30.4%</b>	<b>678</b>	<b>30.7%</b>	<b>684</b>	<b>30.2%</b>	<b>701</b>	<b>30.2%</b>	<b>719</b>	<b>30.2%</b>	<b>737</b>	<b>30.2%</b>	<b>755</b>	<b>30.2%</b>

**Discounted Cash Flow Analysis (As Complete) - Proposed Hotel Fort Macleod**

PROJECTION YEAR	NET OPERATING INCOME		DISCOUNT FACTOR		PRESENT VALUE	COMPOSITION OF YIELD	CAGR OF NET OPERATING INCOME
			<b>10.75%</b>				
2027	\$528,000	x	0.902935	=	\$476,750	6.99%	-
2028	\$543,000	x	0.815291	=	\$442,703	6.49%	2.84%
2029	\$613,000	x	0.736154	=	\$451,262	6.62%	7.75%
2030	\$645,000	x	0.664699	=	\$428,731	6.29%	6.90%
Stabilized	\$678,000	x	0.600180	=	\$406,922	5.97%	6.45%
2032	\$684,000	x	0.541923	=	\$370,675	5.44%	5.31%
2033	\$701,000	x	0.489321	=	\$343,014	5.03%	4.84%
2034	\$719,000	x	0.441825	=	\$317,672	4.66%	4.51%
2035	\$737,000	x	0.398939	=	\$294,018	4.31%	4.26%
2036	\$755,000	x	0.360216	=	\$271,963	3.99%	4.05%
<b>Total Present Value of Cash Flows</b>					<b>\$3,803,710</b>	<b>55.79%</b>	
<b>REVERSION</b>							
2037	\$774,000	/	<b>9.25%</b>		\$8,367,568		
	x Discount Factor				<u>0.360216</u>		
<b>Total Present Value of Reversion</b>					<b>\$3,014,132</b>	<b>44.21%</b>	
<b>Total Present Value</b>					<b>\$6,817,842</b>	<b>100.00%</b>	
<b>ROUNDED:</b>					<b>\$6,800,000</b>		
<b>Number of Rooms</b>					<b>60</b>		
<b>Estimated Value per Room (rounded)</b>					<b>\$113,000</b>		

**Direct Capitalization Analysis (As Complete) - Proposed Hotel Fort Macleod**

Year 1 Net Operating Income	Overall Capitalization Rate	Indicated Value	Indicated Value Per Room
\$528,000	7.75%	\$6,800,000	\$113,000
\$528,000	8.00%	\$6,600,000	\$110,000
<b>\$528,000</b>	<b>8.25%</b>	<b>\$6,400,000</b>	<b>\$107,000</b>
\$528,000	8.50%	\$6,200,000	\$103,000
\$528,000	8.75%	\$6,000,000	\$100,000

**Final Value Reconciliation**

Date of Value	Prospective Market Value (As Complete)		Prospective Market Value (As Stabilized)	
	January 1, 2027	Per Room	January 1, 2031	Per Room
<b>Direct Comparison Approach</b>				
Direct Comparison	\$6,600,000	\$110,000	\$7,500,000	\$125,000
<b>Income Approach</b>				
Discounted Cash Flow	\$6,800,000	\$113,000	\$7,700,000	\$128,000
Direct Capitalization	\$6,400,000	\$107,000	\$7,500,000	\$125,000
<b>Final Value Conclusion</b>	<b>\$6,600,000</b>	<b>\$110,000</b>	<b>\$7,600,000</b>	<b>\$127,000</b>

Compiled by Cushman &amp; Wakefield ULC



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## **FORT MACLEOD AFFORDABLE HOUSING INITIATIVE REQUEST FOR PROPOSAL**

### **RECOMMENDATION:**

That Council awards the Fort Macleod Affordable Housing Initiative Request for Proposal to VB Block Commercial Inc. as presented.

### **RATIONALE:**

After conducting a comprehensive review of VB Block Commercial Inc's (VB) application, both Council and Administration have determined that the proposal is complete and satisfactory.

### **PURPOSE:**

The primary objective of this initiative is to address the pressing need for affordable housing in the community of Fort Macleod. We are seeking experienced contractors, builders, or housing organizations capable of constructing and managing a multi-unit complex or similar development on five designated lots within the specified timeline.

### **DETAILS & BACKGROUND:**

At the February 27, 2017, Council meeting, the following motion was passed regarding affordable housing:

*"R.075.2017 Moved by Councillor Trowbridge that Council donates Lot 19 through 23 Block 316 Plan 92B as a possibility for affordable housing with the understanding that as other land comes available, the location of the donated land may change."*

Although a grant application was submitted in collaboration with the Lethbridge Housing Authority to construct row housing, the project did not progress.

Town Council committed to supporting and advocating for increased affordable housing units in the Town of Fort Macleod 2022-2025 Strategic Plan. To fulfill its pledge of providing affordable housing to the community, Council intends to donate these five lots to an eligible builder/organization that meets the criteria and can both construct and manage affordable housing.

Further, at the June 20, 2023, Committee of the Whole meeting Council reviewed the proposed RFP and provided feedback. Minor changes were made, and now bringing this item forward for Council's approval.

At the August 28, 2023, Council meeting Council approved the Fort Macleod Affordable Housing Initiative Request for Proposal (RFP) with minor changes.

Deadline for questions: September 5, 2023

Proposal Submission Deadline: September 11, 2023

To allow applicants the ability to apply for the Alberta Affordable Housing Partnership, which closes on October 15, 2023, the RFP was posted as soon as possible with a closing deadline of September 11, 2023.

On August 29<sup>th</sup>, 2023, the Fort Macleod Affordable Housing Initiative Request for Proposal was posted to the Alberta Purchasing Connection Reference # AB-2023-05438. It was also advertised on the Town of Fort Macleod website, and social media.



**COUNCIL STRATEGIC PLAN:**

Town Council committed to supporting and advocating for increased affordable housing units in Fort Macleod in their 2022-2025 Strategic Plan.

**FINANCIAL IMPLICATIONS:**

In conjunction with the (5) donated lots, the Town of Fort Macleod's Residential Multi-Unit Tax Incentive Bylaw 1962 allows for the reduction of property taxes for the first four years after construction. This incentive reduces property taxes by 100%, 75%, 50%, and 25% in years 1, 2, 3, and 4, respectively.

**ATTACHMENTS:**

Fort Macleod Affordable Housing Initiative Request for Proposal  
Fort Macleod Strategic Plan 2022-2025

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**PREPARED BY:** Anthony Burdett, CAO

**APPROVED BY:** Anthony Burdett, CAO



**Fort Macleod**

**INVITATION FOR PROPOSALS  
RFP 2023-01  
FORT MACLEOD AFFORDABLE HOUSING INITIATIVE**

PROPOSAL DUE DATE: Sep 11, 2023 at 9am

PROPOSAL NAME: Fort Macleod Affordable Housing Initiative

PROJECT LOCATION: Fort Macleod, Alberta  
Legal Land Description: Plan 92B, Block 316, Lots 19-23

PROJECT DESCRIPTION: The Town of Fort Macleod is seeking proposals from experienced contractors, builders, or housing organizations for the Fort Macleod Affordable Housing Initiative. The project aims to construct and manage a multi-unit complex or similar development on five designated lots. The objective is to provide below-market-priced housing that addresses the community's pressing need for affordable housing while enhancing the well-being of residents. The project requires expertise in construction and property management.



TENDER PACKAGE: Interested parties shall submit a request for tender documents to [cao@fortmacleod.com](mailto:cao@fortmacleod.com).

SUBMISSION OF BIDS: Town of Fort Macleod  
Attn: Anthony Burdett, CAO  
PO Box 1420  
410 - 20<sup>th</sup> Street  
Fort Macleod, AB TOL OZO

NOTES: Electronic submissions will be accepted.

DEADLINE FOR QUESTIONS: September 5, 2023

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**Fort Macleod**

**REQUEST FOR PROPOSAL  
RFP 2023-01  
Fort Macleod Affordable Housing Initiative**

**1. Introduction:**

The Town of Fort Macleod and The Fort Macleod Housing Committee are pleased to announce the Request for Proposal (RFP) for the Fort Macleod Affordable Housing Initiative. The primary objective of this initiative is to address the pressing need for affordable housing in the community of Fort Macleod. We are seeking experienced contractors, builders, or housing organizations capable of constructing and managing a multi-unit complex or similar development on five designated lots within the specified timeline.

In 2017, Town Council allocated five lots to the Fort Macleod Housing Committee as a possibility for affordable housing. Although a grant application was submitted in collaboration with the Lethbridge Housing Authority to construct row housing, the project did not progress. Town Council committed to supporting and advocating for increased affordable housing units in the Town of Fort Macleod 2022-2025 Strategic Plan. To fulfill its pledge of providing affordable housing to the community, Council intends to donate these five lots to an eligible builder/organization that meets the criteria and can construct affordable housing.

In conjunction with the five (5) donated lots, the Town of Fort Macleod’s Residential Multi-Unit Tax Incentive Bylaw 1962, allows for the reduction of property taxes for the first four years after construction. This incentive reduces property taxes by 100%, 75%, 50%, and 25% in years 1, 2, 3, and 4, respectively.

**2. Project Overview:**



The Fort Macleod Affordable Housing Initiative aims to provide below-market-priced housing to families who are struggling with rising costs and inflation.

Market Rental Rates according to the Canada Mortgage and Housing Corporation

Rental Type	Price Per Month
Bachelor	\$880
One Bedroom	\$1,020
Two Bedroom	\$1,129
Three Bedroom	\$1,355

In addition to addressing affordability, the project aims to create thoughtfully designed homes that enhance the overall well-being of residents. The initiative also seeks to foster a vibrant and inclusive community by offering barrier-free units and accommodating individuals facing intersectionality and other social issues.

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**3. Site Information:**

The project will be developed on five designated lots, zoned Residential-Multi Unit (R-MU). Please refer to the map in Appendix A for the exact location and layout of the lots, in addition to Aerial Photos of the site in Appendix B. Legal Land Description: Plan 92B, Block 316, Lots 19-23

**4. Eligibility Criteria:**

To be eligible to submit a proposal for this project, interested parties must meet the following criteria:

a. Experience: Preferably, contractors, builders, or housing organizations should demonstrate prior experience in the successful completion of similar affordable housing projects. Relevant experience should include construction, management, and operation of multi-unit complexes or similar developments.

b. Property Management: This involves overseeing the day-to-day operations, maintenance, tenant services, financial management, and the overall administration of the affordable housing complex to ensure its long-term ongoing sustainability and success.

b. Financial Viability: Interested parties must provide evidence of financial stability and the ability to secure the necessary funding for the project. This may include financial statements, credit ratings, or other relevant documentation.

c. Legal Compliance: Proponents must adhere to local, provincial, and federal laws, regulations, and licensing requirements throughout the duration of the project.

d. Project Initiation and Completion: The construction must be initiated within 12 months and completed within 36 months of the contract agreement.

e. Rent Affordability:

The rental unit composition should follow the table below. The table below mirrors the “Mixed-income Projects Rental Bands” table provided by the Alberta government for provincial funding applications. The rental units must remain under this unit composition for a minimum of 20 years.

Unit Type	Rental Type	Requirements
Affordable Housing Units	Minimum Rent 60% of market rate (MMR)	A minimum of 10% of units is required for this rental type.
Affordable Housing Units	Mid-Range Rent Greater than (>) 60% to less than (<) 90% or market rate (MMR)	
Market and Near Market Units	Market and Near Market Rent	A maximum of 30% of units is allowable for this rental type.

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f. Barrier-Free Units: Preferably, 20% of the units should be barrier-free, ensuring accessibility for individuals with disabilities.

g. Management Capability: Proponents must outline their strategies and skills for managing project expectations, maintenance, resources, budgeting, and ensuring quality control.

h. Experience with Social Issues: Experience or understanding of working with individuals facing intersectionality and other social issues is desirable.

## **5. Proposal Requirements:**

Proposals should be comprehensive and include the following information:

a. Company Overview: Briefly introduce your organization, including its history.

b. Design: Include the site plan, rendering, proposed land use, landscaping, unit types, sizes etc.

c. Experience: Highlight previous projects that demonstrate your organization's expertise in affordable housing construction, management, and property management. Include details such as project size, scope, and outcomes achieved.

d. Operation & Management Plan: Outline your proposed approach to the Fort Macleod Affordable Housing Initiative and long-term management. Provide details on your strategies for overseeing the day-to-day operations, maintenance, tenant services, financial management, and overall administration of the affordable housing complex to ensure its ongoing sustainability and success.

e. Construction Timeline: Provide a detailed timeline for the completion of the construction phase project and your proposed timeline for assuming the long-term property management responsibilities. Ensure project initiation occurs within 12 months of the contract agreement and completion within 36 months.

f. Financial Proposal: Provide a detailed proposal for funding and expenses as follows:

- Annual Operating Budget: provide a proposed annual operating budget, inclusive of property management and maintenance (see the Annual Operating Budget Template in Appendix C).
- Capital Funding: provide a comprehensive capital funding plan for the project (see the Capital Funding Template in Appendix D). Specify any proposed funding sources, including grants, loans, or partnerships.
- Capital Budget: provide a comprehensive capital budget for the construction phase (see the Capital Budget Template in Appendix E).

g. Management Capability: Describe your strategies and skills for managing project expectations, resources, budgeting, and ensuring quality control during both the construction and property management phases. Highlight your experience and expertise in property management, including tenant selection, lease administration, maintenance and repairs, financial reporting, and compliance with relevant regulations.

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h. Proposed Unit Information: Include a detailed plan or table with the proposed unit information and affordability plan. Break down the total number of units and number of bedrooms per unit. Include the number of minimum rate units, mid-range rate units, and market/near market rate units and barrier-free units.

i. Tenant Selection Criteria: Description of the tenant selection process.

j. References: Provide references from previous clients or partners who can speak to the quality of your work, your ability to meet project timelines, and your experience in affordable housing construction and property management.

k. Community Engagement Outline: Provide a detailed plan on how you intend to engage with the public to promote and gain public support for your proposed development.

## 6. Funding and Financial Assistance:

- Tax Incentive Program
- Donated Lots
- Outline Proponents' Responsibilities

## 7. Proposal Submission:

Proposals may be submitted electronically or in person to the following address no later than September 11, 2023.

Attention: Anthony Burdett, CAO  
 Town of Fort Macleod  
 410 20<sup>th</sup> Street  
 Fort Macleod, AB  
 cao@fortmacleod.com



If the proposal is submitted electronically, please ensure that the email's subject line includes "Fort Macleod Affordable Housing Initiative Proposal - [Your Organization's Name]."

## 8. Evaluation and Selection Process:

Proposals will be evaluated based on the following criteria:

Criteria	Points
Experience and Track Record	15
Project Approach and Innovation	15
Property Management Proposal	20
Financial Viability	15
References and Past Performance	20
Community Compatibility/Suitability	15
<b>Total</b>	<b>100</b>

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The Town of Fort Macleod has no obligation to accept the highest rated, or any proposal. Ratings used in the proposal evaluation shall not be the sole factor in determining the successful proponent. Council reserves the right to evaluate based on associated factors and reserves the right to refuse any or all proposals. After a thorough evaluation of all proposals, the Selection Committee will contact the shortlisted organizations for further discussions and negotiations.

The Town, at its discretion, may request any or all of the Proponents to present their proposals and/or interview with the Selection Committee. Note that any information provided by Proponents in their proposals or discussed in presentations/interviews may be incorporated into any Contract with the Proponent. The Town advises that this negotiation process may take 2-3 months.

### 9. Important Dates:

RFP Release Date: August 29, 2023

Deadline for Questions: September 5, 2023

Proposal Submission Deadline: September 11, 2023

Negotiation and Contract Award: September 12, 2023

### 10. Appendices List:

A: Site Plan

B: Aerial Photos

C: Annual Operating Budget Template

D: Capital Funding Template

E: Capital Budget Template

F: Residential Multi-Unit Tax Incentive Bylaw No. 1962 & Application

G: Fort Macleod Affordable Housing Strategic Guide



H: Fort Macleod Business Investment Package

### 11. Confidentiality:

All information submitted in response to this RFP will be treated as confidential and will only be used for the purpose of evaluating proposals for the Fort Macleod Affordable Housing Initiative. The selection committee and relevant stakeholders will ensure the confidentiality of all submitted materials. However, please note that proposals may be subject to disclosure under applicable laws and regulations.

By submitting a proposal, interested parties agree that the Town of Fort Macleod may use the provided information for evaluation purposes and share it with the necessary individuals involved in the selection process. Proposers retain all proprietary rights to their submissions, and the Town of Fort Macleod will not use the information for any other purpose without the written consent of the proposer.

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### **12. Questions and Clarifications:**

Any questions or requests for clarifications regarding this RFP should be submitted in writing to the contact person mentioned above no later than September 5, 2023. The Town of Fort Macleod will provide responses to all eligible inquiries and share the information with all prospective proposers.

The Town of Fort Macleod, alongside the Fort Macleod Housing Committee, looks forward to receiving your proposals and appreciates your commitment to addressing the crucial need for affordable housing in our community.

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**Fort Macleod**

## APPENDIX A: SITE PLAN



### Map

Fort Macleod, Alberta  
Plan 92B, Block 316, Lots 19-23

(North side of 9th Street, Between 3rd and 4th Avenue)



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## APPENDIX B: AERIAL PHOTOS







## APPENDIX C: ANNUAL OPERATING BUDGET TEMPLATE

REVENUE	MINIMUM RENT 60% MMR	MID-RANGE RENT >60% - <90% MMR	MARKET/NEAR MARKET RENT	COMBINED TOTAL
1 Bedroom: # @ \$	\$	\$	\$	\$
2 Bedroom: # @ \$	\$	\$	\$	\$
3 Bedroom: # @ \$	\$	\$	\$	\$
4 Bedroom: # @ \$	\$	\$	\$	\$
Other Revenue				\$
<b>TOTAL REVENUE</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>ESTIMATED EXPENSES</b>				
Water	\$	\$	\$	\$
Electricity	\$	\$	\$	\$
Heat	\$	\$	\$	\$
Garbage	\$	\$	\$	\$
Insurance	\$	\$	\$	\$
Maintenance	\$	\$	\$	\$
Management Fees	\$	\$	\$	\$
Taxes	\$	\$	\$	\$
Replacement Reserves	\$	\$	\$	\$
Other:	\$	\$	\$	\$
Principal & Interest Mortgage Payments	\$	\$	\$	\$
<b>TOTAL EXPENSES</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>SURPLUS (SHORTFALL)</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

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## APPENDIX D: CAPITAL FUNDING TEMPLATE

BUDGET ITEM	MINIMUM RENT 60% MMR	MID-RANGE RENT >60% - <90% MMR	MARKET/NEAR MARKET RENT	COMBINED TOTAL
Proponent Equity — Source:	\$	\$	\$	\$
Proponent Equity — Source:	\$	\$	\$	\$
Federal/Provincial Funding	\$	\$	\$	\$
Other Funding — Source:	\$	\$	\$	\$
Other Funding — Source:	\$	\$	\$	\$
Other Funding — Source:	\$	\$	\$	\$
Mortgage	\$	\$	\$	\$
<b>TOTAL</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

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## APPENDIX E: CAPITAL BUDGET TEMPLATE

BUDGET ITEM	MINIMUM RENT 60% MMR	MID-RANGE RENT >60% - <90% MMR	MARKET/NEAR MARKET RENT	COMBINED TOTAL
Land Cost	\$	\$	\$	\$
Survey	\$	\$	\$	\$
Environmental/Geotechnical	\$	\$	\$	\$
Other Land Cost:	\$	\$	\$	\$
Legal Fees	\$	\$	\$	\$
Planning/Development Approvals	\$	\$	\$	\$
Building Permit Fees	\$	\$	\$	\$
Architect/Engineer	\$	\$	\$	\$
Mortgage Fee	\$	\$	\$	\$
Other Soft Costs:	\$	\$	\$	\$
Construction	\$	\$	\$	\$
Furnishings & Equipment	\$	\$	\$	\$
Stoves & Refrigerators	\$	\$	\$	\$
Parking & Landscaping	\$	\$	\$	\$
Contingency	\$	\$	\$	\$
<b>TOTAL CAPITAL COSTS</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

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## APPENDIX F: Residential Multi-Unit Tax Incentive Bylaw No. 1962 & Application

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# BYLAW NO. 1962

## TOWN OF FORT MACLEOD PROVINCE OF ALBERTA

### A BYLAW OF THE TOWN OF FORT MACLEOD IN THE PROVINCE OF ALBERTA, TO ESTABLISH A RESIDENTIAL MULTI-UNIT TAX INCENTIVE.

**WHEREAS** pursuant to the provision of *Section 347 (1) of the Municipal Government Act, RSA 2000, Chapter M-26*, Council may by bylaw cancel, reduce, refund, or defer taxes it is considered equitable to do so, or phase-in increases or decreases from the preparation of a new assessment;

**WHEREAS** pursuant to the provision of *Section 347 (1) of the Municipal Government Act, RSA 2000, Chapter M-26*, and amendments thereto, the Council of the Town of Fort Macleod deems it equitable to provide for a Bylaw to implement "Residential Multi-Unit Tax Incentive";

**NOW, THEREFORE**, be it resolved that the Council of the Town of Fort Macleod, in the Province of Alberta, duly enacts as follows:

#### 1. SHORT TITLE:

1.1. This Bylaw may be referred to as the "Residential Multi-Unit Tax Incentive Bylaw."

#### 2. PURPOSE:

2.1. The purpose of this Residential Multi-Unit Tax Incentive Bylaw is to;

2.1.1. Allow tax incentives for Exemptions from taxation under Part 10, Division 2 of the *Municipal Government Act* for Qualifying Properties in the Town of Fort Macleod that meet the requirements of this Residential Multi-Unit Tax Incentive Bylaw.

2.1.2. Establish an incentive program to develop Residential Multi-Unit dwellings and create a positive environment for residential construction.

#### 3. DEFINITIONS

3.1. In this Bylaw, unless the context otherwise requires:

3.1.1. "Act" means the *Municipal Government Act, RSA 2000, Chapter M-26*, as amended from time to time;

3.1.2. "Administration" means the administrative and operational arm of the Town comprised of the various departments and business units and including all employees who operate under the leadership and supervision of the CAO;

3.1.3. "Applicant" means a person who applies for an Exemption or their Agent as authorized by the land owner through an agent authorization or director's resolution;

3.1.4. "Application Fee" means the fee established by this Bylaw to be paid at the time an application is submitted pursuant to this Bylaw;

- 3.1.5.** "Assessed Person" means an assessed person as that term is defined under Section 284(1)(a) of the Act;
- 3.1.6.** "Chief Administrative Officer" or "CAO" means the chief administrative officer as appointed by Council, including the CAO's delegate;
- 3.1.7.** "Complete Application" means an application submitted pursuant to this Residential Multi-Unit Tax Incentive Bylaw that includes the Application Fee and the Application Form as set out in Schedule "A" attached hereto;
- 3.1.8.** "Council" means all the councillors of the Town, including the Chief Elected Official for the Town;
- 3.1.9.** "Dwellings or Units" means self-contained living premises with cooking, eating, living, sleeping and sanitary facilities for domestic use for one or more individuals but does not include travel trailers, motor homes, recreational vehicles, or other mobile units, hotel, motel, dormitory, boarding house, or similar accommodation, as defined in the Town of Fort Macleod Land Use Bylaw;
- 3.1.10.** "Exemption" is an exemption from taxation for Multi-Unit Residential Property as provided in Part 10, Division 2 of the Act. For purposes of clarity, the exemption from taxation applies only to taxes imposed by the Town under Part 10, Division 2 of the Act and not any Provincial requisitions;
- 3.1.11.** "Expansion" means development that adds to an existing Structure to increase the Structure's physical space;
- 3.1.12.** "Residential Multi-Unit" as per this Bylaw, means a property that is located in the Town of Fort Macleod, has four (4) or more units and is zoned "*Residential Multi-Unit: R-MU*" under the Land Use Bylaw;
- 3.1.13.** "New Construction" means the construction of a new Structure to establish a Residential Multi-Unit building as defined within the Town of Fort Macleod's Land Use Bylaw;
- 3.1.14.** "Qualifying Property" means a Structure that is the subject of the New Construction or an Expansion;
- 3.1.15.** "Structure" means a structure as that term is defined in s 284(1)(u) of the Act;
- 3.1.16.** "Tax Incentive Agreement" means a written agreement setting out the terms and conditions for an Exemption for the Qualifying Property; and
- 3.1.17.** "Town" means the Town of Fort Macleod in the Province of Alberta.

#### **4. CRITERIA FOR EXEMPTION:**

- 4.1.** Eligibility for a Residential Multi-Unit Tax Incentive under this Bylaw requires the following criteria:



- 4.1.1. \$400,000.00 increase in the assessed value of the Qualifying Property from the previous year resulting from New Construction or an Expansion; and
  - 4.1.2. Minimum of four (4) units or dwellings.
- 4.2. To qualify for an Exemption, the Qualifying Property must meet the following criteria:
  - 4.2.1. The Qualifying Property must be located within the geographical boundaries of the Town;
  - 4.2.2. The Qualifying Property must be zoned "Residential Multi-Unit: R-MU" as per the Town of Fort Macleod Land Use Bylaw;
  - 4.2.3. The development of the Qualifying Property must qualify as New Construction or Expansion;
  - 4.2.4. All required Town development approvals concerning the development of the Qualifying Property must have been issued.
- 4.3. Concerning the Qualifying Property, only one agreement per four-year period is allowed.
- 4.4. Tax exemptions apply to the municipal portion of property taxes only.
- 4.5. To apply for an Exemption, an Applicant must meet the following criteria:
  - 4.5.1. The Applicant must be the Assessed Person for the Qualifying Property that is the subject of the application; and
  - 4.5.2. The Applicant must have no outstanding monies owing to the Town of Fort Macleod; and
  - 4.5.3. The Applicant must submit a Complete Application in accordance with the terms of this Bylaw.

## **5. APPLICATION FOR AN EXEMPTION:**

- 5.1. Applicants must submit a Complete Application to the CAO or delegate. The application form is attached in "Schedule A."
- 5.2. The Application Fee is \$100.00.
- 5.3. Complete Applications must be received by May 15<sup>th</sup>; of the year in which the requested Exemption is to commence.
- 5.4. Applications for past years' Expansion or New Construction will not be eligible in accordance with section 5.3.
- 5.5. Complete Applications may be considered and approved in accordance with the criteria of this Residential Multi-Unit Tax Incentive Bylaw before construction on the Qualifying Property is complete. However, the Exemption will not apply until all construction on the Qualifying Property is complete and the development is inspected and approved for occupancy.

- 5.6. Notwithstanding the Complete Application requirements set out in this Bylaw, the CAO may require any additional information that, at the discretion of the CAO, is necessary to complete the application.
- 5.7. The CAO or designate will advise Applicants in writing if their application is accepted for consideration. Applications accepted for consideration shall become the property of the Town and may not be returned.
- 5.8. The CAO has the discretion to reject applications that are incomplete or illegible.
- 5.9. Applicants whose applications are returned as incomplete or illegible may resubmit an application provided the application is resubmitted by the deadline provided in section 5.3 of this Bylaw.
- 5.10. The CAO will advise Applicants in writing with reasons if their application is rejected.

## **6. CONSIDERATIONS OF APPLICATIONS**

- 6.1. Administration shall review the Complete Application to determine if it meets the criteria and requirements for an Exemption and provides a written report with recommendations to Council.
- 6.2. Council shall review the Complete Application and Administration's report and may:
  - 6.2.1. Pass a resolution directing Administration to enter into a Residential Multi-Unit Tax Incentive Agreement; or
  - 6.2.2. Pass a resolution refusing the Complete Application.
- 6.3. A resolution directing Administration to enter into a Residential Multi-Unit Tax Incentive Agreement must include the following:
  - 6.3.1. The taxation years to which the Exemption applies;
  - 6.3.2. The legal land description; and
  - 6.3.3. Property owner's name.
- 6.4. A Residential Multi-Unit Tax Agreement shall be honoured notwithstanding this Bylaw being amended or repealed after entering into such an agreement.
- 6.5. A resolution passed under section 6.2.2. refusing an application must include the reason(s) for refusal.
- 6.6. Administration shall provide written notice of a refusal to an Applicant, including the resolution passed under section 6.2.2.

## **7. TAX INCENTIVE AGREEMENT**

**7.1.** Where Council has passed a resolution approving an Exemption, Administration shall draft a Tax Incentive Agreement in accordance with the resolution of Council.

**7.2.** A Tax Incentive Agreement must outline the following:

**7.2.1.** The taxation years to which the Exemption applies, which must not include any taxation year earlier than the taxation year in which the Exemption is granted;

**7.2.2.** The extent of the Exemption for each taxation year to which the Exemption applies;

**7.2.2.1.** First Year - 100% Property Tax Exemption

**7.2.2.2.** Second Year- 75% Property Tax Exemption

**7.2.2.3.** Third Year- 50% Property Tax Exemption

**7.2.2.4.** Fourth Year- 25% Property Tax Exemption

**7.2.3.** A deadline for submission of proof that the Qualifying Property has been approved for occupancy.

**7.2.4.** Any criteria in section 4 which formed the basis of granting the Exemption and taxation year or years to which the requirements apply, all of which are deemed to be a condition or conditions of the Residential Multi-Unit Tax Incentive Agreement. The breach of which will result in the cancellation of the Exemption for the taxation year or years to which the criteria applies;

**7.2.5.** In the event of a cancellation pursuant to Section 8 of this Bylaw, any monies owed to the Town shall be immediately paid by the applicant; and

**7.2.6.** Any other conditions Administration deems necessary and the taxation year(s) to which the condition applies. Residential Multi-Unit Tax Incentive Agreements shall be executed by the chief elected officer, their delegate, and the CAO.

## **8. CANCELLATION OF TAX INCENTIVE AGREEMENT:**

**8.1.** If at any time after an Exemption is granted, Administration determines that the Applicant or their application:

**8.1.1.** Did not meet or ceased to meet any of the applicable criteria in Section 4, which formed the basis of granting the Exemption;

**8.1.2.** Tax arrears are owing with respect to the Qualifying Property; or

**8.1.3.** That there was a breach of any condition of the Residential Multi-Unit Tax Incentive Agreement,

8.1.4. Administration shall recommend to Council, and Council may, by resolution, cancel the Exemption for the taxation year or years in which the criterion was not met or to which the condition applies.

8.2. A resolution passed by Council pursuant to section 8.1 must include reasons and identify the taxation year or years to which the cancellation applies.

8.3. Administration shall provide written notice of cancellation to an Applicant, including the resolution passed under section 8.1.

**9. REVIEW OF DECISION:**

9.1. Where Administration has rejected an Application on the basis that it needs to be completed, Applicants may apply to Council within 15 business days of receiving notice of the refusal to review the decision to reject the application.

9.2. Applicants may apply to Council within 15 business days of receiving a Residential Multi-Unit Tax Incentive Agreement to review the Agreement on the limited issues of whether it follows the direction of Council. Council may revise the Residential Multi-Unit Tax Incentive Agreement or provide direction to Administration to revise the Tax Incentive Agreement in accordance with Council's initial resolution.

9.3. Applicants may apply to Council within 15 business days of receiving a notice of cancellation to review the cancellation, and Council may uphold or revoke the cancellation.

**10. REVIEW OF BYLAW:**

10.1. This bylaw shall be reviewed by Council in a public Council meeting at least every second year from the date of passing of the bylaw for the purpose of assessing whether to amend or repeal the bylaw.

**11. SEVERABILITY:**

11.1. If any portion of this Bylaw is declared invalid by a court of competent jurisdiction, then the invalid portion must be severed, and the remainder of this Bylaw is deemed valid.

**12. EFFECTIVE DATE:**


12.1. This Bylaw shall come into force and take effect upon receiving the third reading.

READ a **first** time this 23<sup>rd</sup> day of January, 2023.

READ a **second** time this 13<sup>th</sup> day of February, 2023.

READ a **third** time and finally PASSED this 13<sup>th</sup> day of February, 2023.

  
\_\_\_\_\_  
Mayor – Brent Feyter

  
\_\_\_\_\_  
Chief Administrative Officer – Anthony Burdett

**SCHEDULE "A"**  
**Application Form for Residential Multi-Unit Tax Incentive**  
*Pursuant to the Residential Multi-Unit Tax Incentive Bylaw No. 1962*

**Applicant & Authorized Agent Information:**

Applicant Name:	
Mailing Address:	
Authorized Agent Name: <i>(If applicable)</i>	
Authorized Agent Address: <i>(if different from above)</i>	
Email Address:	
Phone Number:	
Registered Corporate Name <i>(If applicable):</i>	
Corporate Registry Office Address of Applicant:	

The Applicant is applying for a four-year tax incentive for:

New Construction       Expansion

**Qualifying Property Information:**

Physical address of Assessed Property:	
Legal Description of Assessed Property:	
Property Tax Roll number:	
Development Permit number:	
Assessed property value of previous year:	
Assessed property value of current year:	
Type and number of units or dwellings being built:	

Date construction will be completed:	
Date Qualifying Property is expected to be approved for occupancy:	

Describe, or append, an explanation of your Exemption and how you meet the criteria for the tax incentive programs listed above:

---



---



---



---

Indicate if the application includes the following:

- Application Fee (\$100.00 required)       Agent Authorization Form/Directors' Resolution (if applicable)  
 Photos (optional)                               Other materials (optional)

\_\_\_\_\_ Date of the Application

\_\_\_\_\_ Signature of Applicant (or Applicant's Agent)

\_\_\_\_\_ Print Name of Applicant (or Applicant's Agent)

---

**FOR OFFICE USE ONLY**

\_\_\_\_\_ DATE THE APPLICATION WAS RECEIVED

\_\_\_\_\_ NAME OF RECIPIENT

**Note:**

**Complete applications must be received by May 15<sup>th</sup> of the year when the requested Exemption is to commence.**

Applications and materials may be included in reports to Council and Council agenda packages. All Qualifying Properties may be subject to inspection by the Town Administration to ensure the validity of the application.

Personal Information required by the Town of Fort Macleod application forms is collected under the authority of sections 33(a) and (c) of the Alberta Freedom of Information and Protection of Privacy (FOIP) Act. Your personal information will be used to process your application(s). Please be advised that your name, address and details related to your application may be included in reports that are available to the public as required or allowed by legislation. If you have any questions, please get in touch with the Town's FOIP Head at Liisa Gillingham, Director of Community and Protective Services @ 403 553-4425.



## APPENDIX G: Fort Macleod Affordable Housing Strategic Guide

A large, light grey silhouette of a house with a flag on its roof is positioned on the left. To its right is a larger, more complex silhouette of a building with multiple windows and a central dome-like structure.

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📷 [www.fortmacleod.com](http://www.fortmacleod.com) 📘



# Fort Macleod

## Affordable Housing Strategy

Prepared for the Town of Fort Macleod  
by the Rural Development Network's  
Sustainable Housing Initiative



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# Fort Macleod

## Affordable Housing Strategy

### Executive Summary

The Town of Fort Macleod believes in the importance of providing safe, adequate, suitable and affordable housing to support the equitable and sustainable economic development of the Town. The Fort Macleod Affordable Housing Strategy highlights the Town’s plan to achieve this.

This strategy is comprised of five **Strategic Bundles of Actions** that aim to increase the supply of adequate and suitable affordable housing through data driven and collaborative actions:



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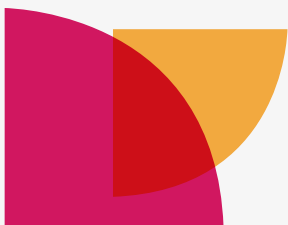
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# 1. Introduction



**Fort Macleod**  
Affordable Housing Strategy





## 1.1 Purpose of the Affordable Housing Strategy

The Fort Macleod Affordable Housing Strategy establishes the Town's vision to promote the development of more affordable housing options to support the needs of the community. It highlights the Town's role and specific actions the Town can take to support affordable housing development.

## 1.2 The Importance of Affordable Housing

Fort Macleod supports the creation of safe, adequate and affordable housing to support all individuals and families in the community. A diversity of housing choices is fundamental to the creation of a resilient community that provides economic and social opportunities to a wide array of people. Fort Macleod believes in the value that affordable housing options bring to not only the individuals living in affordable housing, but to the community as a whole. In order to foster a strong economy with a healthy labour market, affordable housing options must be further developed within Fort Macleod.

## 1.3 How the Strategy was Prepared

The conversation regarding affordable housing first started with the creation of the Fort Macleod Affordable Housing Committee in 2008. This kickstarted the exploration of housing needs in Fort Macleod.

In 2010, a Housing Needs and Demand Assessment was created to report on the housing need and challenges being faced by the Town. In 2016, an updated Housing Needs and Demand Assessment was created.

In 2018, a Rural Homelessness Estimation was performed to determine the number of people experiencing homelessness within the community. The data gathered from this estimation further highlighted the critical need for housing for the most vulnerable in Fort Macleod.

Fort Macleod then adopted its strategic plan, which highlights the Town's goal to facilitate the availability of housing for all.

This gave way to the need for developing an Affordable Housing Strategy followed by an Investment Readiness package to jump start the development of Affordable Housing in Fort Macleod.

In 2020, community engagement was conducted to inform the direction of the Affordable Housing Strategy. Stakeholder engagement was a vital component of the process and directly informed the recommendations made in this strategy. The stakeholder engagement included several focus group sessions with families, seniors, businesses, and the general public. A summary of engagement results can be found in Appendix 4.

The focus groups were split up into three main discussion categories:

### Discussion 1

Affordable Housing and the state of housing in Fort Macleod

### Discussion 2

Future Housing Developments

### Discussion 3

Next Steps

In 2020/2021, this Affordable Housing Strategy was developed.

In 2021, a Business Investment Package was created to support the recommendations and strategies highlighted in this Affordable Housing Strategy.



## 2008

Creation of the Fort Macleod  
Affordable Housing  
Committee

## 2010/2016

Housing Needs  
Assessment

## 2018

Homelessness Estimation

Adoption of the Fort  
Macleod Strategic Plan

## 2020

Community Engagement -  
Survey & Focus Groups

## 2020/2021

Strategy  
Development

## 2021

Business Investment  
Package

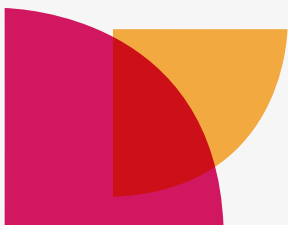




# 2. The Strategy



**Fort Macleod**  
Affordable Housing Strategy





## 2.1 Mission

Our primary focus is to create housing to **service the 115 households within our community who suffer from unaffordable, unsuitable or inadequate housing**, as identified by Statistics Canada. Through the work of the Town and the other leaders in the community, **all individuals will have access to housing that is safe, adequate, suitable and affordable**, creating a foundation for everyone to thrive and prosper.



## 2.2 Overview of Strategic Bundled Actions

The Fort Macleod Housing Strategy's Mission will be implemented through **Strategic Bundles of Actions** designed to accomplish the mission of this strategy, which are pictured below. These are designed to be effective independently and incrementally, but are complemented by other bundles within the strategy.

The strategic bundles were developed through the analysis of current housing issues in Fort Macleod, an environmental scan of housing strategies from other municipalities and through collaboration with housing and development experts. Details surrounding practices in other municipalities can be found in Appendix 2.





## 2.2.1 Grow and Support Partnerships

### Overview

This bundle is about the Town actively seeking partnerships with non-profits and other development partners to help guide affordable housing development in Fort Macleod. The Town will provide support through land dedications, research support and financial incentives.

### Issues we Target

1. The **cost barriers and challenges** to build affordable housing.
2. The **capacity** to plan, fund and develop new affordable housing development in Fort Macleod.
3. The **need for regular formal research dissemination and implementation** in support of the social and financial needs of the community and affordable housing development.

### Strategies

The strategies pictured on the next page are required to create active partnerships with non-profits and other development partners that will lead to new affordable housing development in Fort Macleod.

### Outcome

Developing active partnerships with local affordable housing non-profits and other development partners in which the Town provides support through regulatory, financial and asset management adjustments will help support the development of affordable housing in Fort Macleod.



Issues	Strategies	Actions
<ul style="list-style-type: none"> <li>Lack of capacity to plan, fund and develop new affordable housing development</li> </ul>	<ul style="list-style-type: none"> <li>Create active partnerships with affordable housing non-profit(s) and other development partners</li> </ul>	<ul style="list-style-type: none"> <li>Create a Memorandum of Understanding which highlights what services and supports the Town and non-profits or other development partners will provide to each other</li> </ul>
<ul style="list-style-type: none"> <li>Lack of capacity to plan, fund and develop new affordable housing development</li> <li>Lack of regular formal research dissemination and implementation in support of the social and financial needs of the community and affordable housing development</li> </ul>	<ul style="list-style-type: none"> <li>Leverage non-profits' expertise to provide evidence based decisions regarding the supports and projects needed in the Town</li> </ul>	<ul style="list-style-type: none"> <li>Apply to grants to support non-profits to perform research that supports the Town's implementation of this strategy</li> <li>Specific projects should include: review of taxation policies and their impact's on affordable housing development and operation, review of existing social services and gaps, review of conditions of existing housing, etc</li> </ul>
<ul style="list-style-type: none"> <li>Cost barriers and challenges to build affordable housing</li> </ul>	<ul style="list-style-type: none"> <li>Enable non-profit and other development partner's capital projects that increase affordable housing supply</li> </ul>	<ul style="list-style-type: none"> <li>Provide designated municipal land at no or low cost to affordable housing non-profits and other development partners</li> <li>Borrow funds on behalf of non-profits or other development partners for impactful affordable housing projects that cannot secure adequate funding on their own</li> <li>Advocate and apply for funding grants from higher levels of government to support housing</li> </ul>





## 2.2.2 Increase Discussion on Housing

### Overview

This bundle is about continuous and purposeful engagement with the public and other key-stakeholders in Fort Macleod regarding housing affordability, housing as a human right, and the implementation of this strategy.

### Issues we Target

1. The **misconceptions** regarding affordable housing.
2. The **lack of continuous engagement** throughout the planning and development process for affordable housing.

### Strategies

The strategies pictured below are required to effectively engage the public throughout the implementation of this strategy.

### Outcome

By providing opportunities for public feedback and education at key points of the implementation of this strategy and throughout the development process, the community will be well informed and provide guidance on projects.

Issues	Strategies	Actions
<ul style="list-style-type: none"> <li>Lack of continuous engagement throughout the planning and development process for affordable housing</li> </ul>	<ul style="list-style-type: none"> <li>Provide formal opportunities for public stakeholders to give feedback throughout the development of each Strategic Bundle</li> </ul>	<ul style="list-style-type: none"> <li>Provide opportunities for feedback at key milestones for each Strategic Bundle as well as throughout the planning and development of any new housing projects</li> <li>Assign specific Town staff who will be responsible for correspondence and collection of data from the public which are regularly disseminated to the public</li> <li>Ensure the format of the engagement allows for the collection of a diversity of viewpoints and that every interested party is able to share their feedback</li> </ul>
<ul style="list-style-type: none"> <li>Misconceptions regarding affordable housing</li> </ul>	<ul style="list-style-type: none"> <li>Develop a campaign to promote the need for affordable housing in the Town</li> </ul>	<ul style="list-style-type: none"> <li>Clarify affordable housing misconceptions on social media and at Town events</li> <li>Promote Strategy findings and status at least twice a year</li> </ul>



## 2.2.3 Acquire & Dedicate Municipal Land

### Overview

This bundle is about acquiring and dedicating land for the development of affordable housing in Fort Macleod to reduce barriers for potential housing development partners.

### Issues we Target

1. The **lack of available land** specifically intended for targeted affordable housing development.
2. The **cost barriers and challenges** for a developer to build affordable housing.

### Strategies

The strategies pictured below are required to reduce barriers to targeted affordable housing development in Fort Macleod.

### Outcome

Acquiring and dedicating suitable land (see Section 2.3) for affordable housing and installing utility services to these sites will help ensure affordable housing development is appealing and viable in Fort Macleod.

### What is Zoning?

*Zoning determines what can be built on a property. This includes the use and design of a building.*

Issues	Strategies	Actions
<ul style="list-style-type: none"> <li>Lack of land intended for targeted affordable housing development</li> </ul>	<ul style="list-style-type: none"> <li>Acquire, identify and dedicate land for affordable housing</li> </ul>	<ul style="list-style-type: none"> <li>Identify land with High Suitability for affordable housing (see section 2.3) while engaging with the public</li> <li>Ensure that the zoning designated for the identified land is compatible with future housing development</li> </ul>
<ul style="list-style-type: none"> <li>Cost barriers and challenges to develop affordable housing</li> </ul>	<ul style="list-style-type: none"> <li>Pre-service dedicated municipal land</li> </ul>	<ul style="list-style-type: none"> <li>Identify and prioritize which sites require utility and infrastructure servicing</li> <li>Prepare the site for development such as by coordinating the installation of power, water and sewage services when feasible</li> </ul>



## 2.2.4 Stimulate Diverse Housing

### Overview

This bundle is about stimulating diverse housing development by making changes to Fort Macleod’s land use policies.

### Issues we Target

1. The **limited choices** for those who do not want to or cannot afford to live in single-detached homes.
2. Restrictive **off-street parking requirements** in Fort Macleod’s Land Use Bylaw, which have a negative impact on the affordability of housing.

3. The **difficulty to build more dense and affordable housing**, as the maximum dwellings per site requirements in Fort Macleod’s Land Use Bylaw are too stringent.

### Strategies

The strategies pictured below are required to target the issues Fort Macleod is facing regarding diverse housing development.

### Outcome

Stimulating diverse housing development through removing off-street parking requirements and permitting higher densities in Residential Land Use Districts will act to support **economic and social resiliency**.

Issues	Strategies	Actions
<ul style="list-style-type: none"> <li>Restrictive off-street parking requirements</li> </ul>	<ul style="list-style-type: none"> <li>Reduce or remove off-street parking requirements in Residential Land Use Districts</li> </ul>	<ul style="list-style-type: none"> <li>Perform parking study</li> <li>Engage community on the costs of parking</li> <li>Revise Land Use Bylaw</li> </ul>
<ul style="list-style-type: none"> <li>Difficult to build more dense and affordable housing</li> </ul>	<ul style="list-style-type: none"> <li>Permit higher densities in Residential Land Use Districts</li> </ul>	<ul style="list-style-type: none"> <li>Technical analysis of the Land Use Bylaw</li> <li>Increase maximum site coverage</li> <li>Decrease minimum site area &amp; minimum floor area requirements</li> </ul>
<ul style="list-style-type: none"> <li>Difficult to build more dense and affordable housing</li> </ul>	<ul style="list-style-type: none"> <li>Develop Town level infill and affordability targets</li> </ul>	<ul style="list-style-type: none"> <li>Develop an infill percentage target to support new residential development within the existing urban area</li> <li>Develop neighbourhood level affordable housing targets</li> </ul>





## 2.2.5 Support Existing Housing

### Overview

This action is about maintaining the existing supply of affordable and diverse housing options in Fort Macleod.

### Issues we Target

1. Several households are suffering from **inadequate housing** and require repairs.
2. There is **no inventory** of current affordable housing options, conditions and housing charges.

### Strategies

The strategies pictured below are required to gather data and support the existing affordable housing sector in Fort Macleod.

### Outcome

By creating an affordable housing inventory and supporting housing operators with funding requests, Fort Macleod will be able to better understand current housing issues and help resolve these issues.

Issues	Strategies	Actions
<ul style="list-style-type: none"> <li>No inventory of current affordable housing options, conditions and housing charges</li> </ul>	<ul style="list-style-type: none"> <li>Develop and annually update an inventory of current safe, adequate and affordable market and non-market housing</li> </ul>	<ul style="list-style-type: none"> <li>Develop list of affordable housing operators and request information on housing charges, building conditions and vacancy rates</li> <li>Create framework for data updates from operators</li> </ul>
<ul style="list-style-type: none"> <li>Affordable households are suffering from inadequate housing</li> </ul>	<ul style="list-style-type: none"> <li>Support housing operators in renovating inadequate market and non-market affordable housing units</li> </ul>	<ul style="list-style-type: none"> <li>Provide letters of reference and/or create a memorandum of understanding with housing operators to support funding applications</li> <li>Explore the potential of providing financial support to facilitate the renovation of inadequate affordable housing units</li> <li>Remove fees for permits for affordable housing renovation projects</li> </ul>

## 2.3 Where Should Affordable Housing be Developed

In order to implement these Strategic Bundles of Actions, an analysis was done to understand where new housing should generally be located. It is important for affordable housing to be developed within a walkable distance to daily amenities to ensure those who do not have access to a vehicle or who prefer to walk or cycle can do so in a convenient manner.

Community consultations revealed that in general, stakeholders would like new affordable housing developments to be situated close to local amenities.

### What a Walkable Distance Is

Typically, a distance of 400 m is deemed to be a walkable distance. This is equivalent to a 5-minute walk for the average person. It is important to note that people may experience these distances in a variety of ways, depending on whether they require mobility aids to travel or the pace in which they travel. Winter conditions can also negatively impact one's ability to conveniently walk, further highlighting the importance of building affordable housing within close, walkable proximity to daily amenities and services.



## Identifying Suitable Land for Affordable Housing

In order to identify the land most suitable for affordable housing, the following criteria were used:

### 1. Proximity to Services and Amenities

Land that is within a Walkable Distance (400m) of the following services and amenities should be prioritized for affordable housing development:

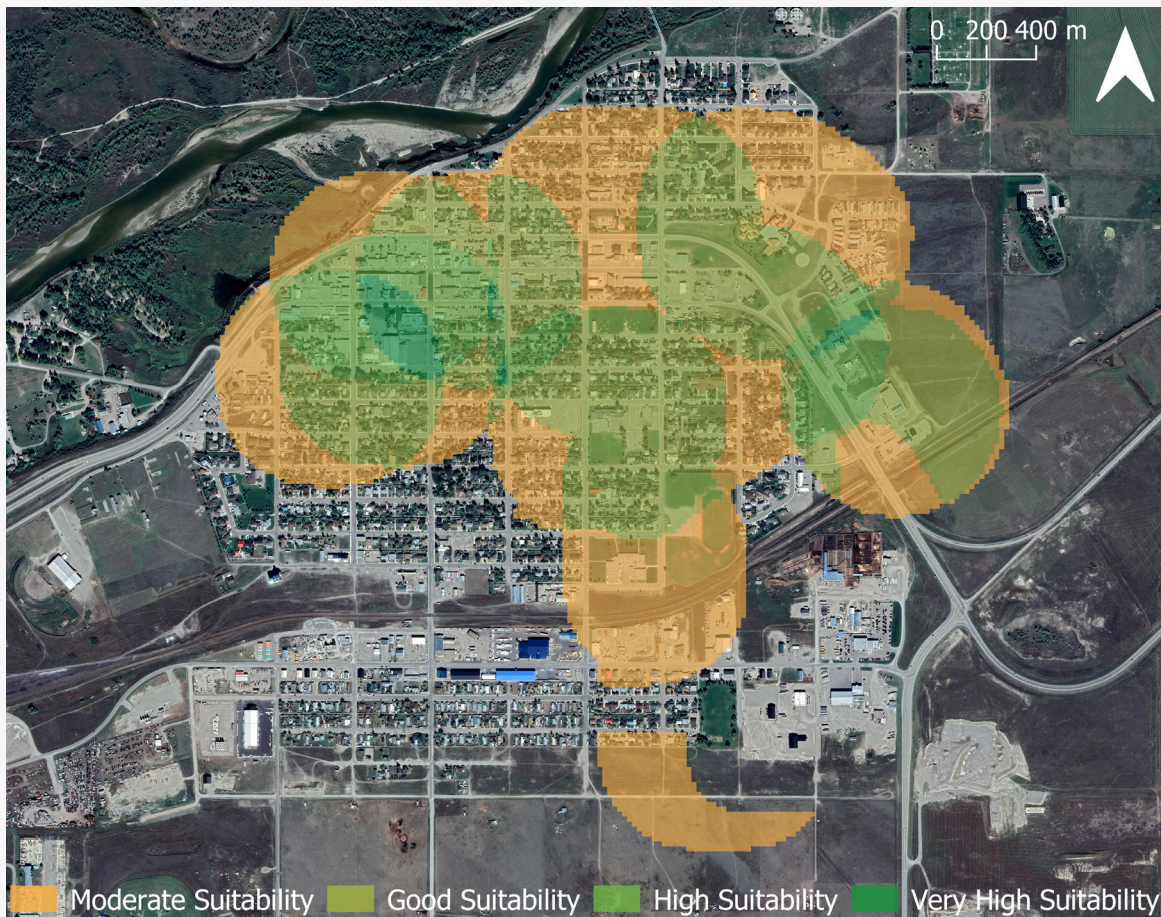
- Grocery Stores
- Hospitals
- Parkspace

- Public Schools
- Recreation Centres
- Pharmacies

### 2. Proximity to Industrial Land - Affordable housing should not be developed within 200 m of industrial land uses.

Land was scored based on the number of services and amenities within a Walkable Distance (400m). Points were subtracted if land was within 200 m of industrial land uses.

A geographical analysis was done to create a map using these criteria (below).



Map of land suitable for affordable housing in Fort Macleod. Areas with very high suitability are areas where multiple amenities and services are within a Walkable Distance (400m), while being more than 200 m away from industrial areas.

## 2.4 Who Plays a Role in this Strategy

### Town of Fort Macleod's Role

1. Planning, research implementation and policy development
2. Advocacy and education
3. Proactive leadership
4. Creating, updating and enforcing regulations
5. Monitoring and evaluating community needs
6. Supporting and organizing the initiatives of partners
7. Ensuring the successful implementation of the Affordable Housing Strategy

### Non Profits' Role

1. Designing and building affordable housing
2. Performing research
3. Pursuing funding
4. Property management

### Private Developers

1. Designing and building affordable housing
2. Pursuing funding
3. Property Management

### Role of Other Orders of Government

1. Providing grants and other sources of funding for affordable housing projects
2. Providing high-level affordable housing policies, strategies and support
3. Providing census data used for the analysis of housing need and demand





# 3. What is Affordable Housing?



**Fort Macleod**  
Affordable Housing Strategy

### 3.1 Definition

The federal definition of affordable housing is housing where the shelter costs makeup 30% or less of a household's Income. This type of housing is safe and supportive and does not look or feel any different than typical market housing.

### 3.2 The Housing Continuum

The Housing Continuum<sup>1</sup> depicts the array of housing situations that can exist within a community. This Continuum is used by the Canada Mortgage and Housing Corporation (CMHC). People may move across categories of the continuum throughout their lives based upon changing circumstances. The

Continuum recognizes the importance for the housing stock to reflect the diversity of socioeconomic and demographic needs within a community. It is important for market housing to not be the sole focus of a municipality, as a holistic approach to housing is required to create an equitable community that supports all of its members. All housing types in the Continuum can be made affordable for a diversity of people.

The strategic bundles of the Fort Macleod Affordable Housing Strategy help support the diversification of Fort Macleod's housing stock, enabling new affordable housing development, improving the adequacy of existing affordable housing and creating greater housing choice within the community.



### 3.3 Building Style and Design

The location and aesthetics of affordable housing will be considered in the implementation of this strategy to ensure that future housing complements the community and is conveniently located near services and amenities (See 2.2, Where We Build).

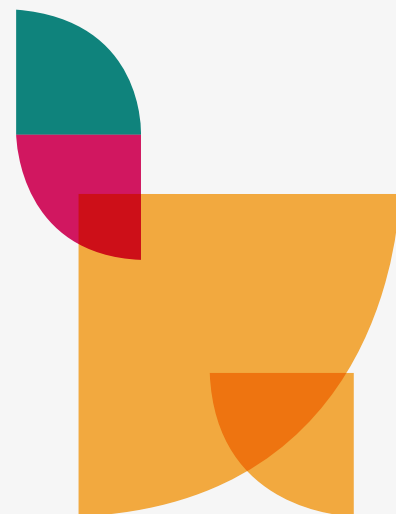
The Town will engage with the community when moving forward with selecting potential locations for new affordable housing and going through the development process, as indicated in the Strategic Bundle, Increase Discussion on Housing (See 2.3.2).

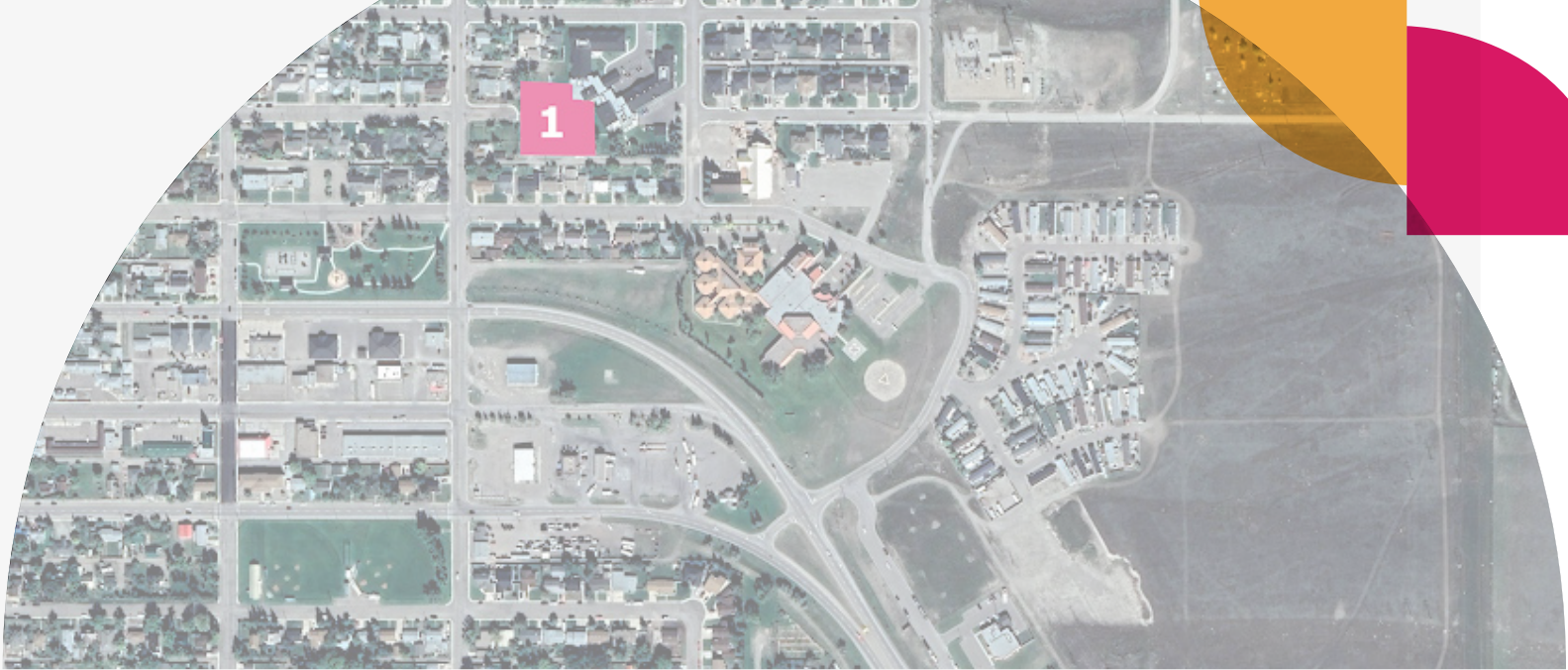
It is important to note that **a duplex can be affordable housing; a tower can be affordable housing; a single family home can be affordable housing**; there is no unique building type or aesthetic specific to affordable housing. Affordable housing can be designed to reflect the context of the neighbourhood while still increasing the diversity of housing forms available within a community.

Next, a variety of affordable housing designs are provided to contextualize what forms affordable housing can take in the implementation of this strategy. These examples are from Fort Macleod and other municipalities in Alberta.

#### Fort Macleod

There is currently only one major non-market affordable housing site in Fort Macleod; Colonel Macleod Manor, which is located in the Northern part of Town. This is an example of long term supportive housing being developed for a specific population; Seniors.





*As seen above, there is currently only one major affordable housing site in Fort Macleod; Colonel Macleod Manor, which is located in the Northern part of Town.*



*The interior and exterior of Colonel Macleod Manor are pictured above. Colonel Macleod Manor is an example of multi-unit affordable housing targeted towards Seniors.*



## Other Municipalities

### *City of Lethbridge*

Below are two examples of affordable housing in the City of Lethbridge. Affordable housing can be designed to fit the context of existing buildings. This is an example of relatively low-density affordable housing. This Strategy aims to remove barriers to this type of development (See Section 2.3.4)



## *Pincher Creek<sup>2</sup>*

The Town of Pincher Creek has several affordable housing options, as operated by the Pincher Creek Foundation. This includes affordable housing targeted to seniors as well as families. Affordable housing in Pincher Creek has a variety of building typologies, ranging from duplexes to large apartment style buildings.





# 4. Housing in Fort Macleod



**Fort Macleod**  
Affordable Housing Strategy

## 4.1 Housing Breakdown

This section provides an overview of the rental and home ownership outlook in Fort Macleod, including information on the Core Housing Need, rental and home ownership markets, and who is in need of housing. This information was used to develop this Affordable Housing Strategy as well as to support insight from community member consultations.

The data in this Housing Breakdown was sourced from:

**Statistics Canada, 2016 Census** <sup>3</sup>

**Alberta Regional Dashboard** <sup>4</sup>

**Alberta Rural Development Network  
Rural Homelessness Estimation  
Project, 2018** <sup>5</sup>

### Core Housing Need

A household is in Core Housing Need if suffering from unaffordability, non-suitability, or inadequacy, without any potential alternatives in their community.

#### What is Suitable Housing?

Housing that is not over-crowded. Generally speaking, a home is overcrowded if the number of children outnumber the bedrooms in the home.

#### What is Adequate Housing?

Housing that does not require major repairs.

### What is Affordable Housing?

Housing costs shouldn't take up more than 30% of household income to be considered affordable.

Spending  
more  
than  
30%



*Suffering  
from unaffordability  
without any  
alternatives:  
65 households*

### Rental Market

**40%** - Percentage of renter households spending 30% or more of their income on shelter costs.

**112** - Number of rental households spending 30% or more of their income on shelter costs.

**\$816** - Average rent for a 2-bedroom apartment

**\$32,640** - Annual income required to afford an average 2-bedroom rental apartment based on a single income.

## 115 Households

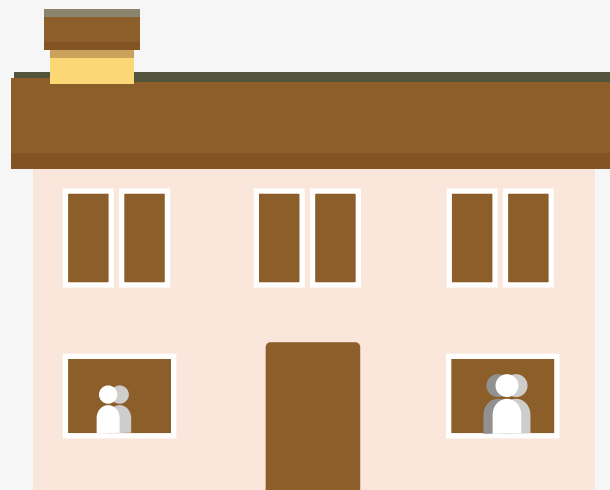
### Total Households in Core Housing Need

Affordable Housing	Suitable Housing	Adequate Housing	Suffering from two or more issues
Where housing costs makeup <b>30% or less</b> of household Income.	Housing that is <b>not over-crowded</b> . Number of children do not outnumber the bed rooms in the home.	Housing that does <b>not require major repairs</b> .	Housing that is suffering from two or more of the criteria listed.
# of households suffering from <b>unaffordability</b> without any alternatives:	# of households suffering from <b>unsuitability</b> without any alternatives:	# of households suffering from <b>inadequacy</b> without any alternatives:	# of households suffering from <b>two or more</b> of the criteria listed without any alternatives:
<b>65</b>	<b>10</b>	<b>25</b>	<b>15</b>

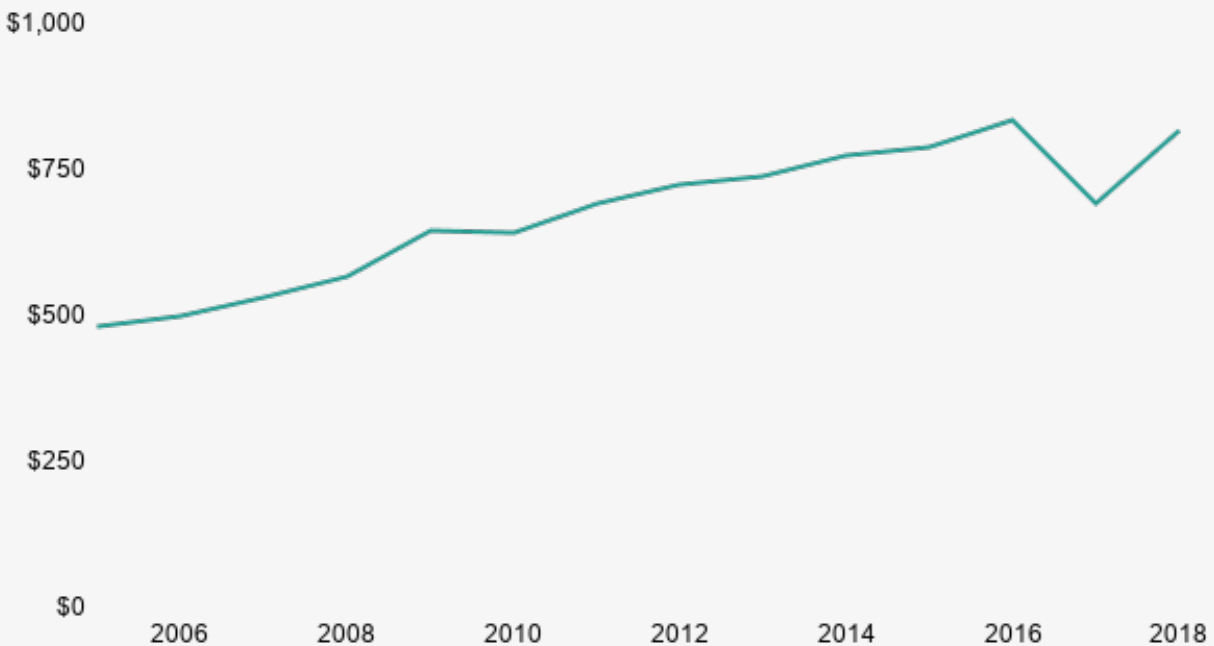
### Who Can't Afford the Average Rental Costs on a Single Income?

Approximately **29 occupations cannot afford rent**.

A sample of occupations include: Cashiers, Bartenders, Teacher Assistants, Hotel Clerks, Cooks, Retail Salespersons, Janitors.



## Rental Rates are Increasing



## Rental Vacancy Rate is High

### 8.54% - 10 Year Average

The rental vacancy rate for rental buildings containing three or more rental units is much higher than 3%, which is often considered as a balanced rental vacancy rate.

A high rental vacancy rate does not mean there is a lack of demand for rental units, but that the vacant housing could be unsuitable, inadequate or unaffordable. Community members highlighted that the current available rental housing in Fort Macleod is old and in poor condition.

## Home Ownership

### 16.2%

Percentage of owner households spending 30% or more of their income on shelter costs.

### 156

Number of owner households spending 30% or more of their income on shelter costs.

### \$953

Average monthly shelter cost for owners.

### \$249,856

Average cost of a house.

### \$83,290

Annual income required to affordably pay for a home given the average cost of a home.

## Who Can't Afford to Purchase a Home based on the Average Cost of a Home on a Single Income?

Approximately **203 occupations** cannot afford to purchase a house.

A sample of occupations include:  
Electricians, Finance Managers, Civil Engineering Technologists, Secondary School Teachers, Registered Nurses, Insulators, Carpenters.

## Who is Housing Unstable?

"Do you consider your housing situation to be unstable or feel you could easily lose your housing?"

**46 respondents (1.5% of the population) said "yes"**

**6.5%**  
of people who said yes are **65+ years old**.

**6.5%**  
of people who said yes are **between 15-24 years old**.

**37%**  
of people who said yes **identify as Indigenous**. *Indigenous populations are disproportionately facing unstable housing situations.*

## Condition of Housing

**130**

Total number of households where major repairs are needed.

**45**

Total number of households that suffer from overcrowding.

*How would you rate the current state of housing within the community? (1 for bad, 10 for excellent)*

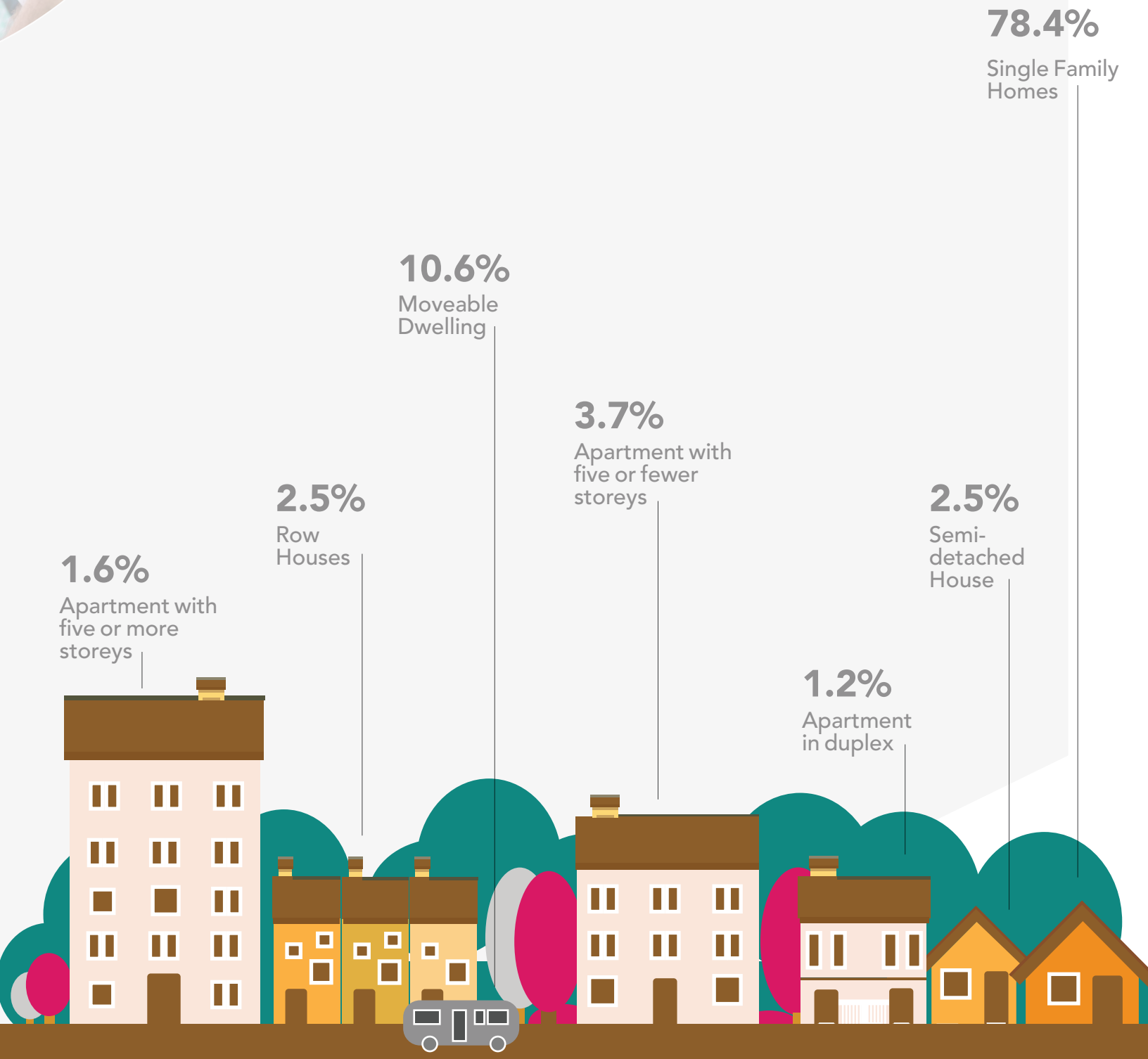
**4.1**

Average score based on 151 survey responses.



## Housing Typologies

Fort Macleod is primarily comprised of single family homes. Less than 10% of housing is multi-unit housing. This limits the options available to residents when deciding what type of home to live in.





## 4.2 Challenges and Opportunities

### Current Challenges

There are several challenges that are being faced regarding affordable housing in Fort Macleod. These challenges determined the direction of this Strategy and were found through community consultation and the analysis of data. Existing challenges include:

- Very limited affordable housing options for a diversity of people in Town
- Housing is too expensive to rent or buy for people in many different occupations
- Relatively high vacancy rate of purpose-built rental buildings, which may be due to the age or condition of available housing
- Inadequacy and unaffordability are a major issue, based on community feedback and the Core Housing Need
- Lack of suitable vacant land for affordable housing development
- Strong stigma against new housing development within the community, including the association of affordable housing and crime

### Opportunities

The analysis of the current challenges revealed several opportunities to improve

the affordability, suitability and adequacy of housing in Fort Macleod. The Strategic Bundles of Actions in this Strategy were designed to maximize the potential for these opportunities.

First, there is an opportunity to increase the diversity of housing available in the Town. This includes the development of more multi-unit housing.

Second, there is an opportunity to improve the quality of life for different community members in need. Listed below are those who should be considered when planning and developing new housing developments, based on community feedback and data analysis.

1. Singles
2. Indigenous Peoples
3. Seniors
4. Families

New affordable housing development can be designed to support a variety of the above groups. For example, new housing could be designed to support seniors and those with mobility constraints by being barrier free. Barrier free housing is housing that is designed with no barriers to those who have mobility constraints (i.e. exclusion of steps, low counter tops). Although barrier free housing would more greatly benefit those with mobility constraints, it can still be suitable and benefit those who do not currently have mobility constraints.



# 5. Appendices



**Fort Macleod**  
Affordable Housing Strategy

## 5.1 Appendix 1: Performance Indicators

The actions enacted in the Fort Macleod Affordable Housing Strategy will be evaluated and measured annually as new data comes available. An annual update will be provided by Town Administration to City Council to publically track the progress of the Strategy. The annual evaluation will be used to make adjustments to the Strategy.

Topic	Indicator	Source	Frequency
<b>Grow and Support Partnerships</b>	Value of grants given to non-profits for affordable housing research and programs	Town of Fort Macleod	Annually
	Count of municipal land provided to non-profits for affordable housing projects	Town of Fort Macleod	Annually
	Number of new policies or changes to policies informed by partnership research	Town of Fort Macleod	Annually
<b>Increase Discussion on Housing</b>	Average satisfaction rating for public engagement opportunities	Town of Fort Macleod	Annually
	Number of times Fort Macleod affordable housing initiatives are mentioned on media (TV, social, etc.)	Town of Fort Macleod	Annually
	Number of participants in public engagement opportunities	Town of Fort Macleod	Annually
	Number of engagement initiatives, separated by Strategic Bundle	Town of Fort Macleod	Annually
<b>Acquire &amp; Dedicate Land</b>	Number of land acquisitions done	Town of Fort Macleod	Annually
	Number of municipal-owned land dedicated to affordable housing	Town of Fort Macleod	Annually
	Number of housing units planned & developed	Town of Fort Macleod	Annually

Topic	Indicator	Source	Frequency
<b>Stimulate Diverse Housing</b>	Percentage change in the number of non-single-detached housing in Fort Macleod	Town of Fort Macleod	Every 5 years
	Number of residential development permits for non-single-detached housing projects	Town of Fort Macleod	Annually
	Proportion of development that is infill (Within existing urban area) and new area development	Town of Fort Macleod	Annually
<b>Support Existing Housing</b>	Number of residential permits for major renovations	Town of Fort Macleod	Annually
	Number of projects supported by Town (letter of support, etc.)	Town of Fort Macleod	Every 5 years
	Percentage of renter households spending more than 30% of household income on shelter costs	Federal Census	Every 5 years
	Percentage of owner households spending more than 30% of household income on shelter costs	AB Regional Dashboard Town of Fort Macleod	Annually
	Residential vacancy rate for units in non-subsidized rental buildings containing 3+ rental units	AB Regional Dashboard Town of Fort Macleod	Annually
	Residential rental rates for non-subsidized rental buildings that have 3+ rental units	Town of Fort Macleod	Annually
	Value of grants for housing development applied for and received by the Town or other partners	Town of Fort Macleod	Annually

## 5.2 Appendix 2: Practices in Other Municipalities

The actions other municipalities have taken to promote and develop affordable housing and how they relate to the Fort Macleod Affordable Housing Strategy's Strategic Bundles are highlighted below. A diversity of municipalities were chosen for this analysis to ensure the Strategy considered a wide array of options and approaches.

### Municipalities and Policies Reviewed

<b>City of Edmonton</b> -	<i>Affordable Housing Strategy<sup>6</sup>, Zoning Bylaw</i>
<b>City of Kelowna</b> -	<i>Healthy Housing Strategy<sup>7</sup></i>
<b>City of Lacombe</b> -	<i>A Housing Strategy for the City of Lacombe<sup>8</sup></i>
<b>Town of High River</b> -	<i>Land Use Bylaw<sup>9</sup></i>
<b>Town of Cochrane</b> -	<i>Cochrane Affordable Housing Strategy &amp; Implementation Plan<sup>10</sup></i>



#### Strategic Bundle: Grow and Support Partnerships

Municipalities: City of Edmonton, City of Kelowna, City of Lacombe, Town of Cochrane

Edmonton has an annual research program regarding affordable housing development that is disseminated to the public and external partners. The annual advocacy plan includes objectives, partners and activities for the calendar year.

Kelowna includes in their strategy the importance of the City acting as a hub for collaborations on housing issues, providing information on grants and opportunities to encourage stakeholders in the affordable housing development industry to support housing development in the City. The City also identifies the need for establishing a Memorandum of Understanding with key partners to formalize relationships and further promote housing development.

Lacombe identifies the need to host and attract people to civic engagement opportunities.

Cochrane identifies the need to build partnerships with private, public and non profit organizations to build affordable housing.



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### **Strategic Bundle: Increase Discussion on Housing**

Municipalities: City of Edmonton, City of Kelowna, Town of Cochrane

These municipalities recognize in their affordable housing strategies the importance of stakeholder engagement in promoting affordable housing. These municipalities also aim to increase public awareness regarding the need for affordable housing in their communities. One way this can be done is through the discussion of housing as a human right. Municipalities can act as a hub for community engagement, collaboration, and organization between the public, non-profits, businesses and developers.



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### **Strategic Bundle: Support Existing Housing**

Municipalities: City of Edmonton, City of Kelowna

The City of Edmonton's strategy includes providing financial incentives to support the renovation of existing affordable housing units. Kelowna identifies the need to gather a detailed inventory of the existing purpose-built rental stock in the City and identify key issues occurring in the rental market.



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### **Strategic Bundle: Acquire & Dedicate Land**

Municipalities: City of Edmonton, City of Kelowna, City of Lacombe, Town of Cochrane

These municipalities dedicate land specifically for the use of affordable housing in their Housing Strategies. All of these municipalities acknowledge that strategically allocating municipal owned land for affordable housing development is a key way to increase the supply of affordable housing, as well as housing in general. Municipalities can either develop this land on their own, sell the land to a development group, or lease/provide the land to a development group at no cost.

Municipalities can also acquire private land in strategic areas that are suitable for affordable housing development. This approach requires increased financial investment from the municipality, as they must purchase or expropriate the land from private owners.

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## Strategic Bundle: Stimulate Diverse Housing Development

Municipalities: City of Edmonton, City of Kelowna, City of Lacombe, Town of Cochrane Town of High River

Edmonton, Kelowna, Lacombe and Cochrane all include a plan to review parking regulations and best practices for encouraging affordable infill in their affordable housing strategies. Recently, High River and Edmonton have removed parking requirements in their Land Use Bylaw's in all land use districts, which enables developers and individuals to have authority in deciding how much parking is required for a new development. High requirements for off-street parking directly impacts the affordability of housing and can act as a barrier to infill development. These costs are ultimately downloaded onto homeowners and renter.

Kelowna, Lacombe and Cochrane identify in their affordable housing strategy the need to review and amend regulations in its Land Use Bylaw to encourage infill and promote higher density development within the existing City boundary. This can be done through increases in the number of dwellings allowed on various sites, the decrease in setback requirements, and the increase in maximum site coverage allowed.

These municipalities also have various requirements for the number of affordable housing units provided in new buildings.

---

## 5.3 Appendix 3: Strategy Evaluation

The Fort Macleod Affordable Housing Strategy is designed to be adaptive and responsive to potential changes in the Town. However, to ensure the strategy remains effective, it will be reviewed based upon the below schedule.

### Annual Updates

In accordance with Appendix 1, Performance Indicators, the Strategy will be reviewed annually. This will include confirming the status of each strategic bundle and its corresponding actions, the assessment of performance indicators, and the evaluation of emerging issues and trends within the Town. The annual evaluation of this Strategy will also include opportunities for community feedback and updates through the use of surveys, questionnaires and other community engagement methods. When significant changes to the services and amenities offered in the Town are identified, the land suitability criteria highlighted in Section 2.2, Where We Build, should be updated.

### Formal Evaluation

A formal and major evaluation of the Strategy and its effectiveness should be performed at a minimum of every 10 years. Such evaluation should consider and be strategically aligned with shifts in Town and provincial/federal policy. This includes:

- Changes to Fort Macleod's Municipal Development Plan
- The release of a new Provincial or Federal Housing Strategies which greatly changes available options or circumstances for affordable housing development



## 5.4 Appendix 4: Engagement Summary

The overall messages of the consultations and surveys were:

- Opinions and thoughts on the affordable housing varied; some respondents felt that affordable housing was any sort of housing that is affordable for residents while others felt that affordable housing was traditionally made up of run-down apartments that were in need of major repair.
- Most participants agreed that there is a lack of available affordable housing in the Town of Fort Macleod.
- Most respondents did not think that COVID-19 had a direct affect on housing within the community but some admitted that related factors such as rising unemployment could have potentially driven up the demand for affordable housing.
- Opinions varied but generally most participants said that the Town suffered from a major affordability and adequacy problem when it came to housing.
- Most respondents wanted to see more singles affordable housing, seniors affordable housing, and family affordable housing be built in the community.
- Participants considered the main benefits of affordable housing to be that it would provide housing for those in need, drive employment and economic activity in the community, and allow residents to take pride in their housing.
- Participants considered the main challenges of affordable housing to be that development would face pushback from the community, that it may be difficult to find suitable land for development that is in well maintained parts of the community, and that it may be difficult to find money or financing to fund the development.
- Generally, most participants stated that they would like to see a potential development built close to local amenities and public spaces. There were mixed opinions on whether the development should be built by the current supply of low-income housing.
- Participants were concerned regarding project timelines and community involvement. They felt that projects often took too long and that details were obscure and hard to access for local community residents.
- In particular, participants wanted to see more public focus groups and consultations as well as connecting notable business groups, residents, and builders to the project.
- Generally, participants were responsive to questions and wanted to emphasize the community's need for new affordable housing developments.

## Endnotes

- 1 Canada Mortgage and Housing Corporation. "About Affordable Housing in Canada." 2018. <https://www.cmhc-schl.gc.ca/en/developing-and-renovating/develop-new-affordable-housing/programs-and-information/about-affordable-housing-in-canada>
- 2 Town of Pincher Creek. "Pincher Creek Foundation: Affordable Housing for Those in Need." n.d. <https://pinchercreekfoundation.ca/>
- 3 Statistics Canada. "Fort Macleod, T [Census subdivision], Alberta and Alberta [Province] (table). Census Profile. 2016 Census. Statistics Canada Catalogue no. 98-316-X2016001". Ottawa. 2017. <https://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/index.cfm?Lang=E> (accessed January 5, 2021).
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- 6 City of Edmonton. "Affordable Housing Strategy 2016-2025." 2016. [https://www.edmonton.ca/programs\\_services/documents/PDF/CityOfEdmontonAffordableHousingStrategy2016-2025.pdf](https://www.edmonton.ca/programs_services/documents/PDF/CityOfEdmontonAffordableHousingStrategy2016-2025.pdf)
- 7 City of Kelowna. "Healthy City Strategy: Healthy Housing Strategy." n.d. [https://www.kelowna.ca/sites/files/1/docs/logos/healthy\\_housing\\_strategy\\_final\\_reduced\\_size.pdf](https://www.kelowna.ca/sites/files/1/docs/logos/healthy_housing_strategy_final_reduced_size.pdf)
- 8 City of Lacombe. "A Housing Strategy for the City of Lacombe: Practices and Priorities for a Course Correction." 2014. <http://199-192-184-58.ip.van.radiant.net/home/showdocument?id=3591>
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- 10 Town of Cochrane and the Cochrane Society for Housing Options. "Cochrane Affordable Housing Strategy and Implementation Plan." 2009. <https://www.cochrane.ca/DocumentCenter/View/87/Cochrane-Affordable-Housing-Strategy-Implementation-Plan-September-2009?bidId=>



**May 2021**

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**Fort Macleod**

## **APPENDIX H: Fort Macleod Business Investment Package**

A large, light grey silhouette of a building complex is positioned in the lower half of the page. On the left side of the silhouette, a flag flies from a pole. The building has several rectangular sections and a central arched section.

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**📷 [www.fortmacleod.com](http://www.fortmacleod.com) 📺**



# Fort Macleod

## Business Investment Package

Prepared for the Town of Fort Macleod by the Rural Development Network's Sustainable Housing Initiative.

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## Executive Summary

The Town of Fort Macleod in its 2018 - 2022 Strategic Plan<sup>1</sup> made affordable housing a priority issue in the community. The plan is to increase affordable housing to not only support current businesses in the Town, but also to improve investment potential for attracting new businesses to the region.

In collaboration with the Town of Fort Macleod, the Fort Macleod Affordable Housing Committee (FMAHC) identified an immediate demand for affordable rental housing. A comprehensive Need and Demand Analysis, prepared in advance to this Business Investment Package, illustrates there is an immediate and strong demand for affordable rental housing that the market is not currently able to meet. At a subsequent community consultation, participants revealed that the addition of quality affordable housing would provide safe and convenient housing to support a great diversity of people, including young workers, families, seniors and Indigenous Peoples. A greater diversity of housing options was identified as a key action to create a sustainable and resilient community, as well as to support the local economy.

In response, the FMAHC in collaboration with the Rural Development Network (RDN), developed an **Affordable Housing Strategy** for the Town of Fort Macleod that identifies key strategic bundles of actions to promote and support additional housing development within the community. This Business Investment Package was developed to kickstart key elements of the strategy, including building partnerships with development groups.

Two potential projects are highlighted in this Business Investment Package: **a large scale mixed market development** and **a small scale affordable housing development**. These projects were designed to suit differing development needs, including the need for rapid development that houses a large amount of people, as well as the need for small scale infill development that can be replicated on various existing sites throughout the Town. Combined, these projects will help bridge the affordability gap between what is available in the private market and what people require in order to meet their housing needs.

Although specific sites have not been identified for these developments, the Town has several municipally owned sites that could be earmarked for this project.

A detailed overview of the two potential projects follows on the next page.

---

1 <http://fortmacleod.com/download/strategic-plan-2014-2017/?wpdmdl=1540>

# Project Summary

This preliminary Business Investment Package has been developed to assist in defining the project directions, policies, and financial strategy for a new, non-profit housing entity. As a preliminary plan, it is expected that the plan will be updated to reflect the final building design and project schedule.

Equity funding will be obtained through grants from provincial and federal government programs. The land for the project will be provided at no cost by the municipality or a private donor. The remainder of the financing requirements will consist of a mortgage from the Canada Mortgage and Housing Corporation (CMHC) with favorable terms and / or a conventional mortgage from a private financial institution.

## Large Scale Mixed Market Development

Total Project Cost: \$4,267,922

Equity Required: \$2,525,997

Financing @ 40.81% of total cost: \$1,741,925

Unit Type	# of Units	Monthly Rent per Unit
<b>Affordable Units</b>	<b>16</b>	
Studio	4	\$402.22
One Bedroom	10	\$504.97
Three Bedroom	1	\$1,050.00
Shared Spaces	1	\$1,206.65
<b>Market Units</b>	<b>9</b>	
Studio	4	\$502.77
One Bedroom	5	\$631.21
<b>Total</b>	<b>25</b>	

## Small Scale Affordable Housing Development

Total Project Cost: \$1,403,630

Equity Required: \$818,982

Financing @ 41.65% of total cost: \$584,648

Unit Type	# of Units	Monthly Rent per Unit
<b>Affordable Units</b>	<b>5</b>	
One Bedroom	1	\$504.97
Two Bedroom	2	\$671.40
Three Bedroom	2	\$1,050.00
<b>Total</b>	<b>5</b>	

In summary, this Business Investment Package demonstrates that the development of the proposed affordable housing projects is realistic and financially feasible, and provides a solid long-term investment opportunity.



## Glossary

**Affordable Housing** is defined as suitable and adequate housing where no more than 30% of household before-tax income is spent on shelter. The housing itself does not have to be rented or subsidized to be considered affordable. As long as it fits the above description, the housing can be private, owned, co-op, temporary etc. The most important metric is that the shelter costs no more than 30% of a household's before-tax income.

From Canadian Mortgage and Housing Corporation

**Homelessness** is the situation of an individual or family without stable, permanent, appropriate housing, or the immediate prospect, means and ability of acquiring it. It is the result of systemic or societal barriers, a lack of affordable and appropriate housing, the individual/household's financial, mental, cognitive, behavioral or physical challenges, and/or racism and discrimination. Most people do not choose to be homeless, and the experience is generally negative, unpleasant, stressful and distressing. Individuals who become homeless experience a range of physical living situations. These various living situations include:

- **Unsheltered:** Absolutely homeless, living on the street or in places not intended for human habitation.
- **Emergency Sheltered:** People who are staying in overnight shelters due to homelessness or family violence.
- **Provisionally Accommodated:** People with accommodation that is temporary or that lacks security for tenure.
- **At Risk of Homelessness:** People who are not yet homeless but their current economic situation is precarious.

From Canadian Observatory on Homelessness

**Market Units** refers to regular market housing, where housing costs are determined by market forces and / or by landlords.

From Alberta Rural Development Network

**A Proforma** is a financial table showcasing the operations of a development, project or facility (including revenues, expenses, important financial information etc.), for multiple years.

From Alberta Rural Development Network

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# 1. Introduction



**Fort Macleod**  
Business Investment Package



## 1.1 Background

The Fort Macleod Affordable Housing Committee (FMAHC) is proposing new affordable housing development in the Town of Fort Macleod, in Southern Alberta, to serve the housing needs of residents in the region. The project we envision will bridge the affordability gap between rental rates available in the private market and what people can afford to pay to meet their housing needs. It is our objective to create suitable housing options so people can make Fort Macleod their home, develop their professional and social lives, while providing the work force required by the businesses in the Fort Macleod area to flourish.

## 1.2 Context

The Town of Fort Macleod, located in Southwestern Alberta, is the oldest Town still in existence in Alberta. It was originally the home of the North West Mounted Police as well as the main trading center for Southern Alberta. The Town boasts the largest number of parks per capita in Canada. It is also the one of the only designated historic areas in the province, due largely to efforts in the early 1980s to beautify and restore the community's downtown, including buildings that date back to 1878.

The economy of the Fort Macleod region is primarily based on agriculture, ranching, oil and gas exploration, and wind power, along with commercial and industrial activities, such as tourism.

## 1.3 Population

The Town of Fort Macleod is home to about 3,033 individuals as of 2019.<sup>1</sup>

Two First Nations Reserves lie in close proximity to the South and West of the Town of Fort Macleod. These are the Piikani Nation (Peigan Reserve 147) and the Blood Nation (Blood Reserve 148). This has important implications, not only in terms of the population living in the area, but also for the type of housing challenges likely to be identified.

Often there are significant housing challenges on First Nations Reserves, including housing shortages and a high incidence of both overcrowding and homes in need of major repairs. Often these issues can cause people to move from the Reserve into neighboring communities; as while they would prefer to remain on the Reserve, they have to move out to find more suitable housing.

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<sup>1</sup> <https://regionaldashboard.alberta.ca/region/fort-macleod/#/>



# 2. Corporate Profile



## 2.1 Town Mission

Our **mission** is to provide residents, visitors and the business community with the highest quality municipal services in an efficient and courteous manner, in order to foster a family-friendly community.

## 2.2 Town Background & Vision

Fort Macleod is a welcoming, family friendly, socially responsible community with a multitude of opportunities for everyone.

The Town is a hub of western Canadian art, culture and heritage. It is the destination of choice for experiencing rural, First Nations', and prairie culture, in a world-renowned natural landscape.

Fort Macleod has a vibrant, entrepreneur-lead business community, with a dynamic industrial and manufacturing sector that attracts skilled employees and their families to work – and live – in a Town that fosters business development, creating a thriving local economy.

The Town of Fort Macleod aspires to be efficient and effective, and is committed to initiatives that promote environmental and economic sustainability through strategic regional and provincial alliances.

## 2.3 Fort Macleod's Housing Committee (FMAHC)

The goal of FMAHC is to increase community capacity to build affordable housing through facilitating partnerships and collaborative planning in Fort Macleod.

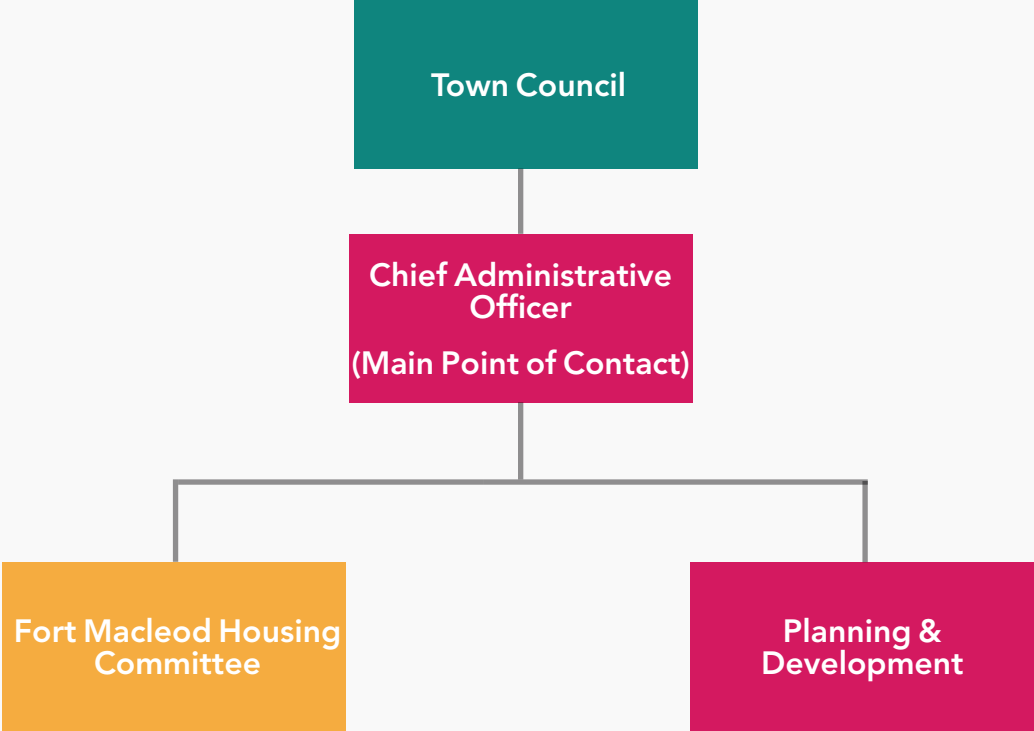
The FMAHC is a group made up of community agencies, community service groups, local decision-makers and anyone interested in affordable housing in Fort Macleod and the surrounding area.

Key activities and deliverables that have been assigned to the FMAHC include:

- Identifying the need and capacity for affordable housing;
- Facilitating capacity building activities and community consultation; and
- Providing recommendations for affordable housing development to stakeholders and decision-makers.

## 2.4 Proposed Organizational Chart

Below is the proposed organizational chart for the management of the Fort Macleod Affordable Housing Strategy and the support of housing developers. Town Council supports the Chief Administrative Officer on projects and initiatives they would like to see, as informed by the Fort Macleod Affordable Housing Strategy. The CAO is the main point of contact for developers, who will delegate tasks to Planning and Development as required. The Fort Macleod Housing Committee assists with community awareness and engagement activities, depending on capacity and ongoing projects.







# 3. Portfolio Profile



**Fort Macleod**  
Business Investment Package

## 3.1 Town Programs

### Fort Macleod & District Family & Community Support Services

**Location: 424-20th Street, Fort Macleod**

Family and Community Support Services (FCSS) is a joint municipal/provincial funding program established to develop, support and fund preventive social services. FCSS is an 80/20 funding partnership between the Government of Alberta, municipalities, and Métis settlements. Provincially, the FCSS Program receives its mandate from the Family and Community Support Services Act and Regulation.

The FCSS philosophy is based on a belief that self-help contributes to a sense of integrity, self-worth and independence. The programs developed are intended to help individuals in their community to adopt healthy lifestyles, thereby improving the quality of life and building the capacity to prevent and/or deal with crisis situations should they arise.

FCSS provides supports and is involved with several programs including:

- the Community Resource Office
- Meals on Wheels
- Volunteer Income Tax Program
- Interagency Meeting

- Fort Macleod Housing Committee
- Fort Macleod Playground Committee
- Fort Macleod Drug Coalition
- Some Summer youth /children programs
- Disaster Services Reception Center
- Fort Macleod Crime Prevention Advisory Committee
- Diversity & Inclusion
- Community Agency Funding
- Community Event Support

## 3.2 Other Facilities

The Town of Fort Macleod also operates the following facilities:

### RCMP Centennial Library

**Location: 264-24th Street, Fort Macleod**

This facility provides local access to educational resources and indoor space.

### Fort Macleod & District Sports Centre

**Location: 235-21st Street, Fort Macleod**

This facility provides local access to sports and recreational amenities.

# 4. Institutional Context








**Fort Macleod**  
Business Investment Package

## 4.1 Role in Providing Housing

As identified in the [Fort Macleod Affordable Housing Strategy](#), the Town's role in providing housing is to act as a leader in the community, working with a range of partners to directly promote the creation of new or renovated housing units to ensure that everyone within the community is given a foundation to thrive and prosper.

The Town's primary focus is to create housing to service the 115 households within the community who suffer from unaffordable, unsuitable or inadequate housing, as identified by Statistics Canada. Through this work, all individuals will have access to housing that is safe, adequate, suitable and affordable.

In order to achieve the Town's goal of increased affordable housing development, several strategic bundles of actions were identified to guide the Town's work over the coming years, which are:

-  Grow and Support Partnerships;
-  Increase Discussion on Housing;
-  Acquire and Dedicate Land;
-  Stimulate Diverse Housing; and
-  Support Existing Housing.

## 4.2 Stakeholder Relationships

As discussed in the strategic bundle 'Grow and Support Partnerships' the Town of Fort Macleod understands the importance of supporting development partners to build more affordable housing. Fort Macleod will seek out partnerships with groups to discuss the housing need in the community, land availability, and ways to support potential projects. The Town will provide support through methods such as regulatory, financial and asset management adjustments, such as making land available for housing, and reviewing zoning and servicing.



# 5. Environmental Scan



## 5.1 Affordable Housing

Affordable housing, as defined by CMHC, is housing where the shelter costs make up 30% or less of a household's income. This type of housing is safe and supportive and does not look or feel any different than typical market housing.

The Housing Continuum (see below) depicts the array of housing situations that can exist within a community. This Continuum is used by the Canada Mortgage and Housing Corporation (CMHC). People may move across the continuum throughout their lives based upon changing circumstances. The Continuum recognizes the importance for the housing stock to reflect the diversity of socioeconomic and demographic needs

within a community. It is important for market housing to not be the sole focus of a municipality, as a holistic approach to housing is required to create an equitable community that supports all of its members. All housing types in the Continuum can be made affordable for a diversity of people.

Table 1 below highlights the Core Needs Income Thresholds (CNIT), that have been used to determine the affordable rates for housing in Fort Macleod. Using CMHC's definition of affordable housing, shelter costs must not exceed 30% of a household's income. Table 1 highlights the income thresholds and maximum affordable rents in Fort Macleod. As an example, the upper limit for affordable rents for a Studio unit is \$687.50.

**Table 1: Core Needs Income Thresholds, Fort Macleod, 2020**

	Studio	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Income Threshold	\$27,500.00	\$31,000.00	\$35,500.00	\$42,000.00	\$45,000.00
Rent based on 30% of Income	\$687.50	\$775.00	\$887.50	\$1,050.00	\$1,125.00

Data source: Government of Alberta Core Needs Income Thresholds

## The Housing Continuum



## 5.2 Analysis of Need and Demand

In this section, the housing needs and demand in Fort Macleod are discussed. Statistics Canada, in collaboration with the Canadian Housing and Mortgage Corporation, produces a measure of housing need in Canadian municipalities (called Core Housing Need) as a measure of households in need of alternative housing. A household is in Core Housing Need if the following apply:

- The household's shelter costs exceed 30% of their income;
- The home itself requires major repair; or
- The home is overcrowded.

If one or more of these factors apply, and the household has no alternatives based on their income profile and housing availability in the area, then the household is in Core Housing Need. Table 2 summarizes the Core Housing Need in Fort Macleod.

As shown in Table 2, approximately 115 households are in Core Need in Fort Macleod. It should be noted though that it is not only the households in Core Housing Need that require attention, rather they are the households that require the most attention.

**Table 2: Core Housing Need, Fort Macleod, 2016**

	Number of Households in Core Need
unaffordable	65
nonsuitable	10
nonadequate	25
Two or more issues	15
Total	115

*Data source: Statistics Canada Census Profile 2016*

Approximately **9.5% of all households in Fort Macleod are in Core Housing Need**. This means that 9.5% of households are living in unsuitable, unaffordable or inadequate housing with no alternatives.

The **Housing Gap** is the overall difference between the current supply and demand of housing.

Table 3 looks over the family composition, overcrowding, and required repairs within Fort Macleod and provides an estimate to the number of families in need of housing. The low estimate assumes that there is 100% overlap between households that are unsuitable and in need of major repair whereas the high estimate assumes that there is no overlap between the two housing indicators.

As shown in Table 3, the number of families in need of housing is between 125 and 160. If we are to assume that couples with children consist of an average of 3 individuals, couples without children consist of an average of 2 individuals, lone-parents consist of 2 individuals, and one-person households consist of 1 individual, then the family type housing gap impacts approximately 225 to 280 individuals. It appears that lone-parent households are in the greatest need.

**Table 3: Housing Gap by Family Type, Fort Macleod, 2016**

	Couples with Children	Couples without Children	Lone-parent census family without other persons in the household	One-Person	Total
Major Repair	25	40	10	50	125
Overcrowded	10	0	0	25	35
Low Estimate	25	40	10	50	125
High Estimate	35	40	10	75	160

*Data source: Statistics Canada Census Profile 2016*



Using the same methodology, Table 4 determines the housing gap based on the number of individuals living in the households (household size).

As shown in the table below, the analysis estimates that between 35 and 170 households are in need of housing. If we assume that 1 to 2 person households consist of an average of 1.5 individuals,

3 person households consist of 3 individuals, and 4 or more consist of an average of 4 individuals, then the household size housing gap is between approximately 130 to 422 individuals. It appears that 1 to 2 person households are in the greatest need.

Table 4: Housing Gap by Household Size Fort Macleod, 2016				
	1 to 2 person	3 persons	4 or more persons	Total
Total Households	870	175	190	1,235
Overcrowded	0	10	30	40
Major Repairs Required	95	10	25	130
Low Estimate	0	10	25	35
High Estimate	95	20	55	170

Data source: Statistics Canada Census Profile 2016



Below in Table 5, the current rental supply in Fort Macleod, as of 2018, is highlighted. The majority of rental units are in the form of two bedroom units, which range from \$650 to \$900 dollars a month. There is very little supply of studio apartments and four bedroom units in Fort Macleod, which may be the reason behind there being zero

vacancies for these unit types. Although one and three bedroom units have relatively high vacancy rates, it is important to note that this may not be due simply to a lack of demand, but that other factors, such as suitability, affordability, adequacy and age are impacting the vacancies of these unit types.

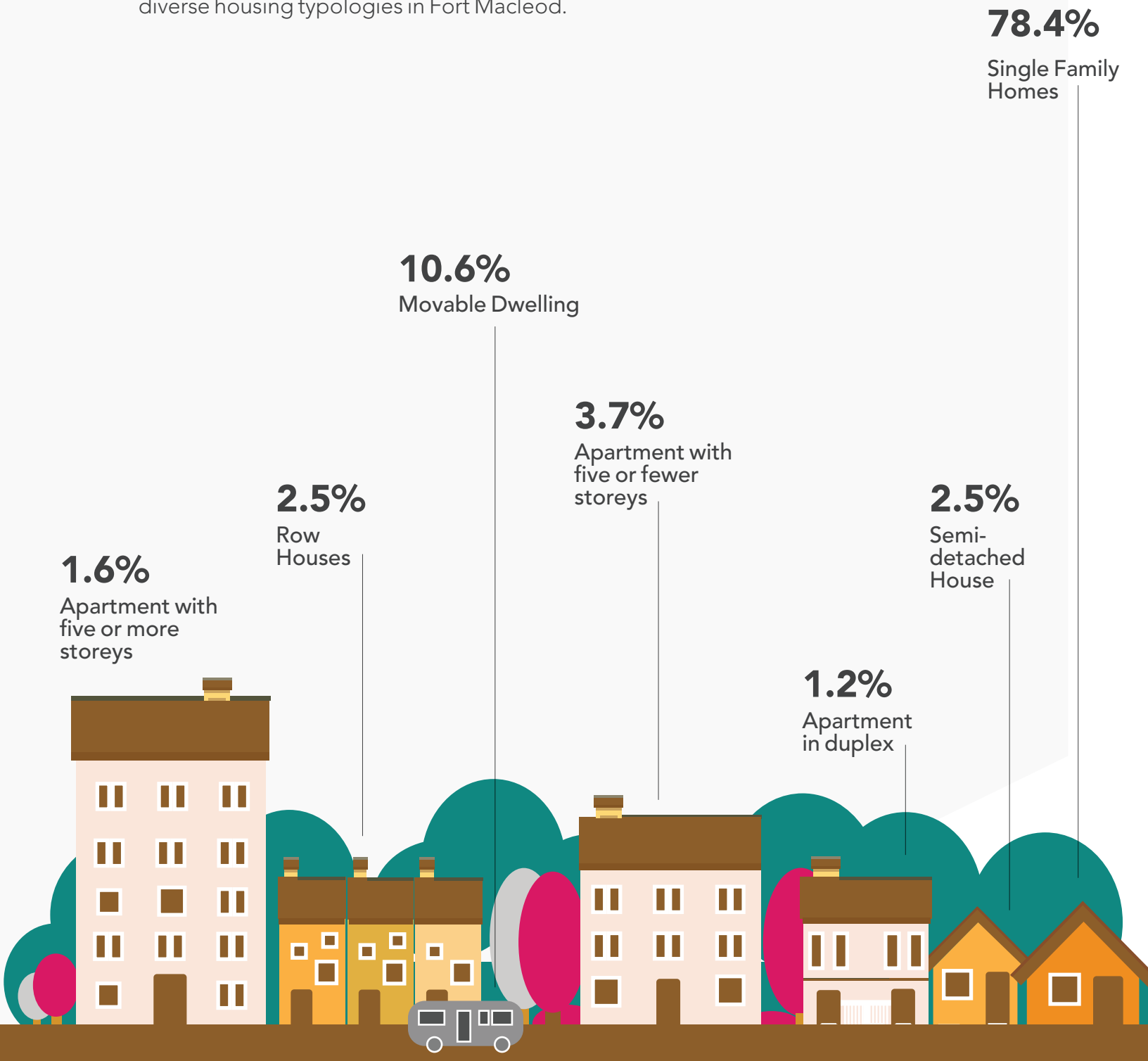
**Table 5: Fort Macleod Rental Housing Market, 2018**

Unit Type	Number or Units	Rental Rates	Average Rent	Vacancy Rate (% Estimated)
Studio	2	\$560 - \$560	\$560	0.00%
1 Bedroom	15	\$500 - \$830	\$638	33.30%
2 Bedroom	36	\$650 - \$900	\$816	8.30%
3 Bedroom	13	\$875 - \$1,250	\$1,100	15.40%
4 Bedroom	3	\$1,200 - \$1,200	\$1,200	0.00%

*Data Source: Government of Alberta Vacancy and Rental Rate Cost Survey*

## Housing Typologies

Fort Macleod is primarily comprised of single family homes. Less than 10% of housing is multi-unit housing. When combined with the significant housing gap for 1 to 2 person households, there may be a need for more diverse housing typologies in Fort Macleod.



## 5.3 Stakeholder Engagement

The overall messages of the consultations and surveys were:

- Opinions and thoughts on the affordable housing varied; some respondents felt that affordable housing was any sort of housing that is affordable for residents while others felt that affordable housing was traditionally made up of run-down apartments that were in need of major repair.
- Most participants agreed that there is a lack of available affordable housing in the Town of Fort Macleod.
- Most respondents did not think that COVID-19 had a direct effect on housing within the community but some admitted that related factors such as rising unemployment could have potentially driven up the demand for affordable housing.
- Opinions varied but generally most participants said that the Town suffered from a major affordability and adequacy problem when it came to housing.
- Most respondents wanted to see more singles affordable housing, seniors affordable housing, and family affordable housing be built.
- Participants considered the main benefits of affordable housing to be that it would provide housing for those in need, drive employment and economic activity in the community, and allow residents to take pride in their housing.
- Participants considered the main challenges of affordable housing to be that development would face pushback from the community, that it may be difficult to find suitable land for development that is in well maintained parts of the community, and that it may be difficult to find money or financing to fund the development.
- Generally, most participants stated that they would like to see a potential development built close to local amenities and public spaces. There were mixed opinions on whether the development should be built close to the current supply of low-income housing.
- Participants were concerned regarding project timelines and community involvement. They felt that projects often took too long and that details were obscure and hard to access for local community residents.
- In particular, participants wanted to see more public focus groups and consultations as well as connecting notable business groups, residents, and builders to the project.
- Generally, participants were responsive to questions and wanted to emphasize the community's need for new affordable housing developments.

# 6. Development Plan



**Fort Macleod**  
Business Investment Package

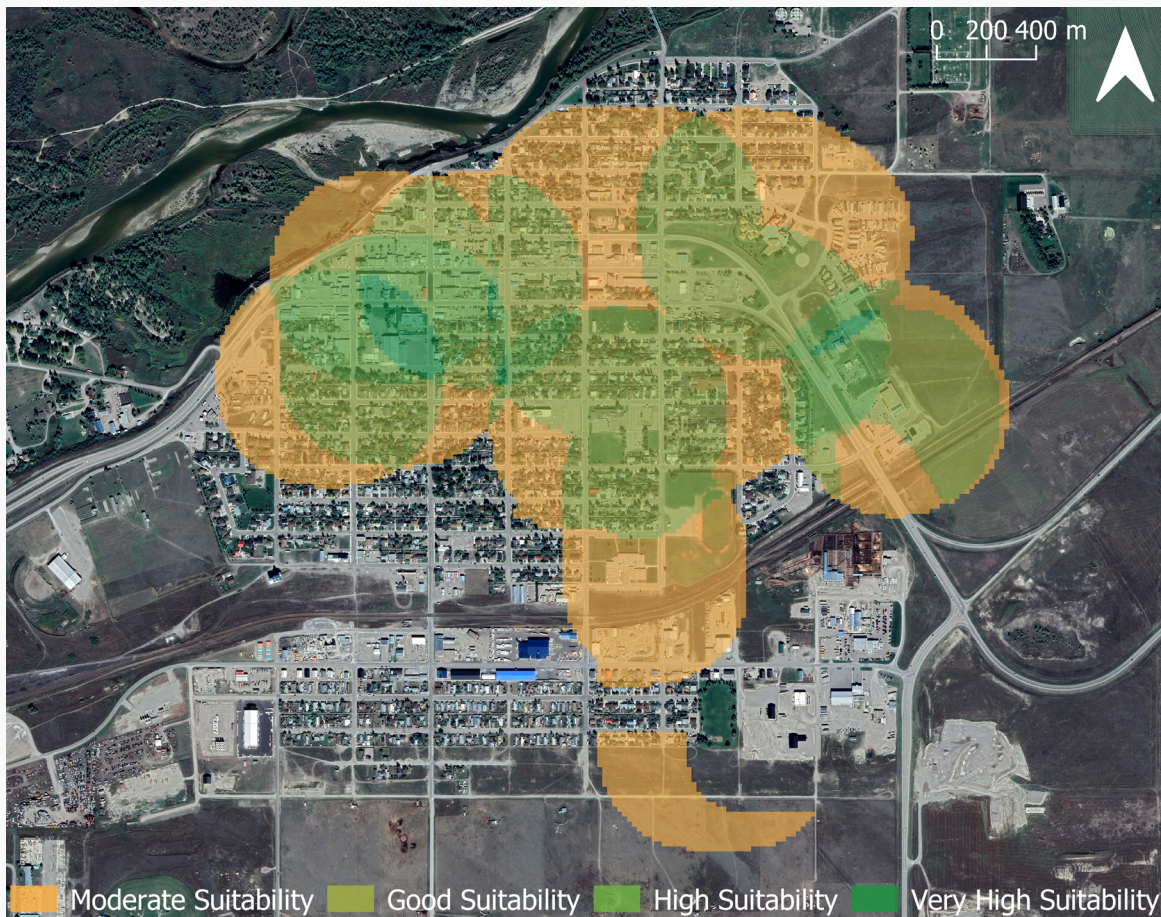
## 6.1 Potential Locations

It is important for affordable housing to be developed within a walkable distance to daily amenities to ensure those who do not have access to a vehicle or who prefer to walk or cycle can do so in a convenient manner.

Community consultations revealed that in general, stakeholders would like new affordable housing developments to be situated close to local amenities.

## What a Walkable Distance Is

Typically, a distance of 400 m is deemed to be a walkable distance. This is equivalent to a 5-minute walk for the average person. It is important to note that people may experience these distances in a variety of ways, depending on whether they require mobility aids to travel or the pace in which they travel. Winter conditions can also negatively impact one's ability to conveniently walk, further highlighting the importance of building affordable housing within close, walkable proximity to daily amenities and services.



Map of land suitable for affordable housing in Fort Macleod. Areas with very high suitability are areas where multiple amenities and services are within a Walkable Distance (400m), while being more than 200 m away from industrial areas.

## Identifying Suitable Land for Affordable Housing

In order to identify the land most suitable for affordable housing, the following criteria were used:

### 1. Proximity to Services and Amenities

Land that is within a Walkable Distance (400m) of the following services and amenities should be prioritized for affordable housing development:

- Grocery Stores
- Hospitals
- Parkspace
- Public Schools
- Recreation Centres
- Pharmacies

### 2. Proximity to Industrial Land - Affordable housing should not be developed within 200 m of industrial land uses.

Land was scored based on the number of services and amenities within a Walkable Distance (400m). Points were subtracted if land was within 200 m of industrial land uses.

A geographical analysis was done to create a map using these criteria (above).

## 6.2 Project Overview

Fort Macleod has been investigating different sites for potential affordable housing projects. Two potential development projects are discussed in this report: A large scale Mixed Market Development and a small scale Affordable Housing Project.

In keeping with the National Occupancy Standard (NOS), which determines the number of bedrooms a household requires given its size and composition, the proposed unit mix for both developments is based on the following demand assumptions:

- Studio rental units for single persons (310 square feet)
- One-bedroom rental units for couples without children (465 square feet)
- Three-bedroom rental units for lone parent with children and couple with children (775 square feet)

### Large Scale Mixed Market Development

This development is being planned as a mixed market development, containing both affordable and market housing in a single building.

The building is currently planned to provide approximately 11,160 square feet of living space on three floors. Currently, the development is proposed to contain the following unit mix:

### **Affordable Units**

- 4 studios;
- 10 one bedrooms;
- 1 three bedroom; and
- 1 shared space.

### **Market Units**

- 4 studios; and
- 5 one bedrooms.

## **Small Scale Affordable Housing Project**

This development is being planned as a small scale development with affordable housing. It will most likely be in the form of row housing with a secondary suite.

The building is currently planned to provide approximately 3,215 square feet of living space on two floors. Currently, the development is proposed to contain the following unit mix:

### **Affordable Units**

- 1 one bedroom;
- 2 two bedrooms; and
- 2 three bedrooms.

## **6.3 Construction & Management Plan**

The Project Committee, as appointed by the Chief Administrative Officer, will provide oversight on the development of these projects. The Project Committee will consist of Fort Macleod Housing Committee Board members, Town Administration representatives, and other external members as required to ensure the representation of appropriate expertise. The authority of the Project Committee is delegated by Town Council and the CAO. The Board retains final decision making authority on design, planning and financial matters relevant to the Town.

### **Management & Construction**

The development partner will lead each stage of development to provide comprehensive services for the organization, coordination, management, financial management and administration required for all aspects of the development of the project.



## 6.4 Project Financing and Funding

The various funding streams the project will be financed from are a collection of provincial, federal and other contributions. To ensure that all planned financing is captured the following criteria must be met:

- The local municipality must confirm in-kind contribution. (land, tax-exemption etc.)
- A proportion of the units must be accessible.
- A proportion of the units must meet certain affordability requirements for a set period of time, as required from various funding agencies such as CMHC.
- The project must meet environmental criteria.
- The finances of the project must show an acceptable debt-coverage-ratio.
- Community need must be proven.
- The proponent's experience must be proven.
- The project should be within proximity to various amenities.

In addition to the above criteria, the following documentation and information must be produced:

- Land details (existing building, existing debt etc.).
- A summary of the experience of the proponent.
- A summary of the building details including:
  - » Type of buildings and number of units.
  - » Use of non-residential space.
  - » Available services available within the building to support priority groups.
- Details on the location of the buildings.
- Status of land acquisition.
- The appraised land value.
- Environmental Site Assessments.
- A construction schedule.
- A market feasibility study.

Please note that the exact criteria and information required is dependent on which funding stream is being pursued.

## 6.5 RFP Process

The RFP Process for the construction of the project will vary depending on a variety of factors including project type, partnerships and requirements from various funders. For social housing projects, a contractor would most likely be hired to build the project. For private affordable housing projects, requirements may vary depending on whether provincial funding was received for the project. Overall, the RFP process will differ depending on the unique context of a project. The Town of Fort Macleod will work with all potential partners as they go through the RFP process.

## 6.6 Project Management and Monitoring

As per the ASHC, regulations and requirements for project management are provided. This includes how often updates should be given, the documentations required etc. For monitoring, there will likely be requirements that funders will present which are currently unknown. It is important to allow for changes in the monitoring process to accommodate these requirements. It is possible that local housing authorities will be involved in the monitoring process as per provincial regulations.

## 6.7 Stabilization

A formal close-out will be conducted at the end of the project after substantial completion to ensure that there is a clear transition from the project to operations. This includes performing a project post-mortem which will compile all important information and documentation created and obtained during the project. This will allow important lessons to be captured for future purposes. The possibility of renting out floors as soon as they are completed is being assessed and will be confirmed at later stages beyond planning.

## 6.8 Operations

The standard operating procedure (SOP, the details of operations—administration, inspections, maintenance etc.) that the project will follow is currently in the discussion stage. This is also true of how the project will be monitored to ensure all requirements are being followed and to improve the operations of the buildings. The design and building systems will be formed while considering the SOP. Additionally, as the financing process progresses funders will present more requirements which may include criteria regarding the operations of the development. It is important to be able to accommodate for these requirements as the development comes to operations. Project partners might also be involved in determining the SOP of the development.

## 6.9 Preliminary Project Schedule

The Town anticipates the following schedule for Fort Macleod’s affordable housing projects. Note that these timespans are very preliminary estimates only and will vary depending on time of year, type of construction, bid process, special requirements etc.:

**Table 6: Preliminary Project Schedule - Town of Fort Macleod Affordable Housing**

1. RFP issued to select architectural firms	Weeks 1-2
2. Closing date for architectural RFPs	Week 2
3. Award architectural contract	Week 4
4. Completion of contract documents	Week 10
5. Call for construction tenders	Week 10
6. Closing date for construction tenders	Week 14
7. Construction award	Week 15
8. Construction start	Week 27
9. Substantial completion	Week 70

# 7. Financial Feasibility



## 7.1 Large Scale Mixed Market Development

### Overview

As detailed in the development plan (section 6), the Large Scale Mixed Market Development is planned to be designed as a multi-unit development. It will likely be a single building with multiple stories.

A total of 25 living spaces will be built of which 16 will be affordable units and 9 will be market units (Table 7). The development is planned to provide approximately 11,160 square feet of living space across an estimated three stories, for a total square footage of 14,112 square feet (4,704 square feet per floor). The exact structure of the building has not been determined. There will be a total of 8 studio, 15 one bedroom, 1 three bedroom and 1 shared space in the development. This building program is supported by the analysis of housing need in Fort Macleod. Depending on the configuration of the project, zoning variances may be required. Specific unit sizes may also vary depending on land location, size and configuration as well as detailed design requirements. The town will work with you to identify a site and zoning that is compatible with this development.

**Table 7: Proposed Large Scale Mixed Market Development**

Unit Type	# of Units	Square Footage per Unit	Total Square Footage
<b>Affordable Units</b>	<b>16</b>		<b>7,595</b>
Studio	4	310	1,240
One Bedroom	10	465	4,650
Three Bedroom	1	775	775
Shared Spaces	1	930	930
<b>Market Units</b>	<b>9</b>		<b>3,565</b>
Studio	4	310	1,240
One Bedroom	5	465	2,325
<b>Total</b>	<b>25</b>		<b>11,160</b>
<b>Leasable Square Footage</b>			<b>11,160</b>
<b>Stairs &amp; Corridors Gross Up</b>			<b>13,392</b>
<b>Administrative &amp; Reception</b>			<b>720</b>
<b>Total Square Footage of Development</b>			<b>14,112</b>
<b>Parking Stalls</b>			<b>25</b>
<b>Parking Stalls Square Footage</b>			<b>2,775</b>

## Financing & Funding

The development will be cash positive from year 1, with a total estimated cost of **\$4,267,922**.

Equity will be made available by contributions from various parties, which may include the provincial government, CMHC and other programs that support affordable housing development. Land costs are \$0 as it is assumed that land will either be donated by or brought in as equity by another party, such as the Town, private investor, etc. An overview of the project funding breakdown can be seen below in Table 8.

**Table 8: Large Scale Mixed Market Development Construction Funding Breakdown**

<b>Total Project Cost</b>	<b>\$4,267,922</b>
Cost of Land	\$0
Required Equity	\$2,525,997
Required Financing (40.81% of costs)	\$1,741,925

As seen below in Table 9, the sources of rental revenue for the development are highlighted. The affordable rental rates were derived by taking a discount of the local rental rates and considering what tenants can afford to pay for housing without overspending.

**Table 9: Proposed Rent Roll for Large Scale Mixed Market Development**

Unit Type	# of Units	Monthly Rent per Unit	Monthly Income
<b>Affordable Units</b>	<b>16</b>		<b>\$8,915.19</b>
Studio	4	\$402.22	\$1,608.86
One Bedroom	10	\$504.97	\$5,049.69
Three Bedroom	1	\$1,050.00	\$1,050.00
Shared Spaces	1	\$1,206.65	\$1,206.65
<b>Market Units</b>	<b>9</b>		<b>\$5,167.13</b>
Studio	4	\$502.77	\$2,011.08
One Bedroom	5	\$631.21	\$3,156.05
<b>Total</b>	<b>25</b>		<b>\$14,082.32</b>

Table 10 below highlights the operating summary of the development. It tabulates the following: the potential income of the building and the income after projected losses due to vacancy (based on a 10-year average), the expenses of the building and the expenses as a percentage of effective income (operating expense ratio), the income after operating expenses (net income), the ratio of net income over debt payments (DCR) in the first year and the overall surplus after all payments and expenses in the first year.

**Table 10: Large Scale Mixed Market Development Operating Summary**

Potential Gross Income (PGI)	\$168,988
Effective Gross Income (EGI)	\$150,283
Operating Expenses	\$67,595
Operating Expense Ratio (as % of EGI)	45%
Net Income	\$82,688
DCR	1.10
Surplus	\$7,520

The following tables provide the proforma for the development from year 1-21 as well as additional years. It is a detailed breakdown of all the revenues, expenses and debt payments of the development. The most important indicators are the Effective Gross Income (EGI), the Total Expenses, the Residential Net Operating Income (NOI), the Debt Coverage Ratio (DCR) and the Surplus. As seen in the tables below in the first year, the DCR is 1.10 and the Surplus is positive.



## Preliminary Year 1 to 5 Proforma

Revenue	Year 1	Year 2	Year 3	Year 4	Year 5
Residential Revenues	\$168,987.86	\$173,212.56	\$177,542.87	\$181,981.45	\$186,530.98
Additional Income	\$-	\$-	\$-	\$-	\$-
Potential Gross Income (PGI)	\$168,987.86	\$173,212.56	\$177,542.87	\$181,981.45	\$186,530.98
Vacancy Loss : Res. Revenues	\$(16,170.45)	\$(16,574.71)	\$(16,989.08)	\$(17,413.80)	\$(17,849.15)
Vacancy Loss : Bad Debts	\$(2,534.82)	\$(2,598.19)	\$(2,663.14)	\$(2,729.72)	\$(2,797.96)
Vacancy Loss : Others	\$-	\$-	\$-	\$-	\$-
Total Vacancy Loss	\$(18,705.27)	\$(19,172.90)	\$(19,652.22)	\$(20,143.53)	\$(20,647.11)
Effective Gross Income (EGI)	\$150,282.60	\$154,039.66	\$157,890.65	\$161,837.92	\$165,883.87
Operating Expense	Year 1	Year 2	Year 3	Year 4	Year 5
Taxes	\$-	\$-	\$-	\$-	\$-
Insurance	\$5,550.00	\$5,688.75	\$5,830.97	\$5,976.74	\$6,126.16
Backup for Heat & Electricity	\$-	\$-	\$-	\$-	\$-
Water & Sewer	\$8,275.00	\$8,481.88	\$8,693.92	\$8,911.27	\$9,134.05
Electricity	\$6,250.00	\$6,406.25	\$6,566.41	\$6,730.57	\$6,898.83
Heat	\$6,250.00	\$6,406.25	\$6,566.41	\$6,730.57	\$6,898.83
Maintenance & Repairs	\$18,750.00	\$19,218.75	\$19,699.22	\$20,191.70	\$20,696.49
Superintendent	\$12,000.00	\$12,300.00	\$12,607.50	\$12,922.69	\$13,245.75
Management Fees	\$6,011.30	\$6,161.59	\$6,315.63	\$6,473.52	\$6,635.35
General & Admin.	\$1,502.83	\$1,540.40	\$1,578.91	\$1,618.38	\$1,658.84
Replacement Reserve	\$3,005.65	\$3,080.79	\$3,157.81	\$3,236.76	\$3,317.68
Housekeeping	\$-	\$-	\$-	\$-	\$-
Direct Operating Costs	\$-	\$-	\$-	\$-	\$-
Advertising & Promotion	\$-	\$-	\$-	\$-	\$-
Garbage / Snow / Landscaping	\$-	\$-	\$-	\$-	\$-
Wages & Benefits (Property Manager)	\$-	\$-	\$-	\$-	\$-
Professional Fees	\$-	\$-	\$-	\$-	\$-
Elevator(s)	\$-	\$-	\$-	\$-	\$-
Miscellaneous	\$-	\$-	\$-	\$-	\$-
Total Expenses	\$67,594.78	\$69,284.65	\$71,016.77	\$72,792.19	\$74,611.99
Total Expenses as % of EGI	44.98%	44.98%	44.98%	44.98%	44.98%
Total Expenses as % of PGI	40.00%	40.00%	40.00%	40.00%	40.00%
Res. Net Operating Income (NOI)	\$82,687.82	\$84,755.01	\$86,873.89	\$89,045.73	\$91,271.88
Annual Debt Payment	\$75,168.01	\$75,168.01	\$75,168.01	\$75,168.01	\$75,168.01
Debt Coverage Ratio (DCR)	1.10	1.13	1.16	1.18	1.21
Cash Flow / Surplus	\$7,519.80	\$9,587.00	\$11,705.87	\$13,877.72	\$16,103.86
Asset Value	\$1,438,048.96	\$1,474,000.19	\$1,510,850.19	\$1,548,621.45	\$1,587,336.98
Growth in Residential Revenue (Per Yr)	2.50%	Cap Rate 5.75%			
Growth in Expenses (Per Yr)	2.50%				
Total Accumulated Replacement Reserve	\$3,005.65	\$6,086.45	\$9,244.26	\$12,481.02	\$15,798.69
Total Ending Surplus	\$7,519.80	\$17,106.80	\$28,812.67	\$42,690.39	\$58,794.25
Ending Reserve and Surplus	\$10,525.45	\$23,193.24	\$38,056.93	\$55,171.40	\$74,592.94



## Preliminary Year 6 to 10 Proforma

Revenue	Year 6	Year 7	Year 8	Year 9	Year 10
Residential Revenues	\$191,194.26	\$195,974.11	\$200,873.47	\$205,895.30	\$211,042.69
Additional Income	\$-	\$-	\$-	\$-	\$-
Potential Gross Income (PGI)	\$191,194.26	\$195,974.11	\$200,873.47	\$205,895.30	\$211,042.69
Vacancy Loss : Res. Revenues	\$(18,295.38)	\$(18,752.76)	\$(19,221.58)	\$(19,702.12)	\$(20,194.67)
Vacancy Loss : Bad Debts	\$(2,867.91)	\$(2,939.61)	\$(3,013.10)	\$(3,088.43)	\$(3,165.64)
Vacancy Loss : Others	\$-	\$-	\$-	\$-	\$-
Total Vacancy Loss	\$(21,163.29)	\$(21,692.37)	\$(22,234.68)	\$(22,790.55)	\$(23,360.31)
Effective Gross Income (EGI)	\$170,030.96	\$174,281.74	\$178,638.78	\$183,104.75	\$187,682.37
Operating Expense	Year 6	Year 7	Year 8	Year 9	Year 10
Taxes	\$-	\$-	\$-	\$-	\$-
Insurance	\$6,279.32	\$6,436.30	\$6,597.21	\$6,762.14	\$6,931.19
Backup for Heat & Electricity	\$-	\$-	\$-	\$-	\$-
Water & Sewer	\$9,362.40	\$9,596.46	\$9,836.37	\$10,082.28	\$10,334.34
Electricity	\$7,071.30	\$7,248.08	\$7,429.29	\$7,615.02	\$7,805.39
Heat	\$7,071.30	\$7,248.08	\$7,429.29	\$7,615.02	\$7,805.39
Maintenance & Repairs	\$21,213.90	\$21,744.25	\$22,287.86	\$22,845.05	\$23,416.18
Superintendent	\$13,576.90	\$13,916.32	\$14,264.23	\$14,620.83	\$14,986.36
Management Fees	\$6,801.24	\$6,971.27	\$7,145.55	\$7,324.19	\$7,507.29
General & Admin.	\$1,700.31	\$1,742.82	\$1,786.39	\$1,831.05	\$1,876.82
Replacement Reserve	\$3,400.62	\$3,485.63	\$3,572.78	\$3,662.10	\$3,753.65
Housekeeping	\$-	\$-	\$-	\$-	\$-
Direct Operating Costs	\$-	\$-	\$-	\$-	\$-
Advertising & Promotion	\$-	\$-	\$-	\$-	\$-
Garbage / Snow / Landscaping	\$-	\$-	\$-	\$-	\$-
Wages & Benefits (Property Manager)	\$-	\$-	\$-	\$-	\$-
Professional Fees	\$-	\$-	\$-	\$-	\$-
Elevator(s)	\$-	\$-	\$-	\$-	\$-
Miscellaneous	\$-	\$-	\$-	\$-	\$-
Total Expenses	\$76,477.29	\$78,389.22	\$80,348.95	\$82,357.68	\$84,416.62
Total Expenses as % of EGI	44.98%	44.98%	44.98%	44.98%	44.98%
Total Expenses as % of PGI	40.00%	40.00%	40.00%	40.00%	40.00%
Res. Net Operating Income (NOI)	\$93,553.67	\$95,892.52	\$98,289.83	\$100,747.07	\$103,265.75
Annual Debt Payment	\$75,168.01	\$75,168.01	\$75,168.01	\$75,168.01	\$75,168.01
Debt Coverage Ratio (DCR)	1.24	1.28	1.31	1.34	1.37
Cash Flow / Surplus	\$18,385.66	\$20,724.50	\$23,121.81	\$25,579.06	\$28,097.74
Asset Value	\$1,627,020.41	\$1,667,695.92	\$1,709,388.32	\$1,752,123.02	\$1,795,926.10
Growth in Residential Revenue (Per Yr)	2.50%	Cap Rate			
Growth in Expenses (Per Yr)	2.50%				
Total Accumulated Replacement Reserve	\$19,199.31	\$22,684.95	\$26,257.72	\$29,919.82	\$33,673.47
Total Ending Surplus	\$77,179.91	\$97,904.41	\$121,026.22	\$146,605.28	\$174,703.02
Ending Reserve and Surplus	\$96,379.22	\$120,589.36	\$147,283.95	\$176,525.10	\$208,376.48

## Preliminary Year 11 to 15 Proforma

Revenue	Year 11	Year 12	Year 13	Year 14	Year 15
Residential Revenues	\$216,318.75	\$221,726.72	\$227,269.89	\$232,951.64	\$238,775.43
Additional Income	\$-	\$-	\$-	\$-	\$-
Potential Gross Income (PGI)	\$216,318.75	\$221,726.72	\$227,269.89	\$232,951.64	\$238,775.43
Vacancy Loss : Res. Revenues	\$(20,699.54)	\$(21,217.03)	\$(21,747.46)	\$(22,291.14)	\$(22,848.42)
Vacancy Loss : Bad Debts	\$(3,244.78)	\$(3,325.90)	\$(3,409.05)	\$(3,494.27)	\$(3,581.63)
Vacancy Loss : Others	\$-	\$-	\$-	\$-	\$-
Total Vacancy Loss	\$(23,944.32)	\$(24,542.93)	\$(25,156.50)	\$(25,785.42)	\$(26,430.05)
Effective Gross Income (EGI)	\$192,374.43	\$197,183.79	\$202,113.39	\$207,166.22	\$212,345.38
Operating Expense	Year 11	Year 12	Year 13	Year 14	Year 15
Taxes	\$-	\$-	\$-	\$-	\$-
Insurance	\$7,104.47	\$7,282.08	\$7,464.13	\$7,650.74	\$7,842.00
Backup for Heat & Electricity	\$-	\$-	\$-	\$-	\$-
Water & Sewer	\$10,592.70	\$10,857.52	\$11,128.96	\$11,407.18	\$11,692.36
Electricity	\$8,000.53	\$8,200.54	\$8,405.56	\$8,615.69	\$8,831.09
Heat	\$8,000.53	\$8,200.54	\$8,405.56	\$8,615.69	\$8,831.09
Maintenance & Repairs	\$24,001.59	\$24,601.62	\$25,216.67	\$25,847.08	\$26,493.26
Superintendent	\$15,361.01	\$15,745.04	\$16,138.67	\$16,542.13	\$16,955.69
Management Fees	\$7,694.98	\$7,887.35	\$8,084.54	\$8,286.65	\$8,493.82
General & Admin.	\$1,923.74	\$1,971.84	\$2,021.13	\$2,071.66	\$2,123.45
Replacement Reserve	\$3,847.49	\$3,943.68	\$4,042.27	\$4,143.32	\$4,246.91
Housekeeping	\$-	\$-	\$-	\$-	\$-
Direct Operating Costs	\$-	\$-	\$-	\$-	\$-
Advertising & Promotion	\$-	\$-	\$-	\$-	\$-
Garbage / Snow / Landscaping	\$-	\$-	\$-	\$-	\$-
Wages & Benefits (Property Manager)	\$-	\$-	\$-	\$-	\$-
Professional Fees	\$-	\$-	\$-	\$-	\$-
Elevator(s)	\$-	\$-	\$-	\$-	\$-
Miscellaneous	\$-	\$-	\$-	\$-	\$-
Total Expenses	\$86,527.04	\$88,690.21	\$90,907.47	\$93,180.15	\$95,509.66
Total Expenses as % of EGI	44.98%	44.98%	44.98%	44.98%	44.98%
Total Expenses as % of PGI	40.00%	40.00%	40.00%	40.00%	40.00%
Res. Net Operating Income (NOI)	\$105,847.39	\$108,493.58	\$111,205.92	\$113,986.07	\$116,835.72
Annual Debt Payment	\$75,168.01	\$75,168.01	\$75,168.01	\$75,168.01	\$75,168.01
Debt Coverage Ratio (DCR)	1.41	1.44	1.48	1.52	1.55
Cash Flow / Surplus	\$30,679.38	\$33,325.56	\$36,037.90	\$38,818.05	\$41,667.70
Asset Value	\$1,840,824.25	\$1,886,844.86	\$1,934,015.98	\$1,982,366.38	\$2,031,925.54
Growth in Residential Revenue (Per Yr)	2.50%				
Growth in Expenses (Per Yr)	2.50%				
Total Accumulated Replacement Reserve	\$37,520.95	\$41,464.63	\$45,506.90	\$49,650.22	\$53,897.13
Total Ending Surplus	\$205,382.40	\$238,707.96	\$274,745.87	\$313,563.92	\$355,231.62
Ending Reserve and Surplus	\$242,903.35	\$280,172.59	\$320,252.76	\$363,214.14	\$409,128.75

## Preliminary Year 16 to 21 Proforma

Revenue	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21
Residential Revenues	\$244,744.81	\$250,863.43	\$257,135.02	\$263,563.40	\$270,152.48	\$276,906.29
Additional Income	\$-	\$-	\$-	\$-	\$-	\$-
Potential Gross Income (PGI)	\$244,744.81	\$250,863.43	\$257,135.02	\$263,563.40	\$270,152.48	\$276,906.29
Vacancy Loss : Res. Revenues	\$(23,419.63)	\$(24,005.12)	\$(24,605.25)	\$(25,220.38)	\$(25,850.89)	\$(26,497.16)
Vacancy Loss : Bad Debts	\$(3,671.17)	\$(3,762.95)	\$(3,857.03)	\$(3,953.45)	\$(4,052.29)	\$(4,153.59)
Vacancy Loss : Others	\$-	\$-	\$-	\$-	\$-	\$-
Total Vacancy Loss	\$(27,090.80)	\$(27,768.07)	\$(28,462.28)	\$(29,173.83)	\$(29,903.18)	\$(30,650.76)
Effective Gross Income (EGI)	\$217,654.01	\$223,095.36	\$228,672.74	\$234,389.56	\$240,249.30	\$246,255.53
Operating Expense	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21
Taxes	\$-	\$-	\$-	\$-	\$-	\$-
Insurance	\$8,038.05	\$8,239.01	\$8,444.98	\$8,656.11	\$8,872.51	\$9,094.32
Backup for Heat & Electricity	\$-	\$-	\$-	\$-	\$-	\$-
Water & Sewer	\$11,984.67	\$12,284.28	\$12,591.39	\$12,906.18	\$13,228.83	\$13,559.55
Electricity	\$9,051.86	\$9,278.16	\$9,510.11	\$9,747.87	\$9,991.56	\$10,241.35
Heat	\$9,051.86	\$9,278.16	\$9,510.11	\$9,747.87	\$9,991.56	\$10,241.35
Maintenance & Repairs	\$27,155.59	\$27,834.48	\$28,530.34	\$29,243.60	\$29,974.69	\$30,724.06
Superintendent	\$17,379.58	\$17,814.07	\$18,259.42	\$18,715.90	\$19,183.80	\$19,663.40
Management Fees	\$8,706.16	\$8,923.81	\$9,146.91	\$9,375.58	\$9,609.97	\$9,850.22
General & Admin.	\$2,176.54	\$2,230.95	\$2,286.73	\$2,343.90	\$2,402.49	\$2,462.56
Replacement Reserve	\$4,353.08	\$4,461.91	\$4,573.45	\$4,687.79	\$4,804.99	\$4,925.11
Housekeeping	\$-	\$-	\$-	\$-	\$-	\$-
Direct Operating Costs	\$-	\$-	\$-	\$-	\$-	\$-
Advertising & Promotion	\$-	\$-	\$-	\$-	\$-	\$-
Garbage / Snow / Landscaping	\$-	\$-	\$-	\$-	\$-	\$-
Wages & Benefits (Property Manager)	\$-	\$-	\$-	\$-	\$-	\$-
Professional Fees	\$-	\$-	\$-	\$-	\$-	\$-
Elevator(s)	\$-	\$-	\$-	\$-	\$-	\$-
Miscellaneous	\$-	\$-	\$-	\$-	\$-	\$-
Total Expenses	\$97,897.40	\$100,344.83	\$102,853.45	\$105,424.79	\$108,060.41	\$110,761.92
Total Expenses as % of EGI	44.98%	44.98%	44.98%	44.98%	44.98%	44.98%
Total Expenses as % of PGI	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%
Res. Net Operating Income (NOI)	\$119,756.61	\$122,750.53	\$125,819.29	\$128,964.77	\$132,188.89	\$135,493.61
Annual Debt Payment	\$75,168.01	\$75,168.01	\$75,168.01	\$75,168.01	\$75,168.01	\$75,168.01
Debt Coverage Ratio (DCR)	1.59	1.63	1.67	1.72	1.76	1.80
Cash Flow / Surplus	\$44,588.60	\$47,582.51	\$50,651.28	\$53,796.76	\$57,020.88	\$60,325.60
Asset Value	\$2,082,723.68	\$2,134,791.77	\$2,188,161.56	\$2,242,865.60	\$2,298,937.24	\$2,356,410.67
Growth in Residential Revenue (Per Yr)	2.50%					
Growth in Expenses (Per Yr)	2.50%					
Total Accumulated Replacement Reserve	\$58,250.21	\$62,712.12	\$67,285.57	\$71,973.36	\$76,778.35	\$81,703.46
Total Ending Surplus	\$399,820.22	\$447,402.73	\$498,054.01	\$551,850.76	\$608,871.64	\$669,197.24
Ending Reserve and Surplus	\$458,070.43	\$510,114.85	\$565,339.58	\$623,824.13	\$685,649.99	\$750,900.70

## Preliminary Additional Years Proforma

Revenue	Year 25	Year 30	Year 35	Year 40	Year 45	Year 50
Residential Revenues	\$305,652.73	\$345,818.01	\$391,261.34	\$442,676.29	\$500,847.60	\$566,663.08
Additional Income	\$-	\$-	\$-	\$-	\$-	\$-
Potential Gross Income (PGI)	\$305,652.73	\$345,818.01	\$391,261.34	\$442,676.29	\$500,847.60	\$566,663.08
Vacancy Loss : Res. Revenues	\$(29,247.91)	\$(33,091.33)	\$(37,439.80)	\$(42,359.69)	\$(47,926.11)	\$(54,223.99)
Vacancy Loss : Bad Debts	\$(4,584.79)	\$(5,187.27)	\$(5,868.92)	\$(6,640.14)	\$(7,512.71)	\$(8,499.95)
Vacancy Loss : Others	\$-	\$-	\$-	\$-	\$-	\$-
Total Vacancy Loss	\$(33,832.70)	\$(38,278.60)	\$(43,308.72)	\$(48,999.84)	\$(55,438.82)	\$(62,723.94)
Effective Gross Income (EGI)	\$271,820.03	\$307,539.42	\$347,952.62	\$393,676.46	\$445,408.78	\$503,939.15
Operating Expense	Year 25	Year 30	Year 35	Year 40	Year 45	Year 50
Taxes	\$-	\$-	\$-	\$-	\$-	\$-
Insurance	\$10,038.43	\$11,357.56	\$12,850.04	\$14,538.64	\$16,449.13	\$18,610.69
Backup for Heat & Electricity	\$-	\$-	\$-	\$-	\$-	\$-
Water & Sewer	\$14,967.21	\$16,934.02	\$19,159.29	\$21,676.98	\$24,525.51	\$27,748.37
Electricity	\$11,304.54	\$12,790.05	\$14,470.76	\$16,372.34	\$18,523.80	\$20,957.98
Heat	\$11,304.54	\$12,790.05	\$14,470.76	\$16,372.34	\$18,523.80	\$20,957.98
Maintenance & Repairs	\$33,913.61	\$38,370.14	\$43,412.29	\$49,117.02	\$55,571.40	\$62,873.94
Superintendent	\$21,704.71	\$24,556.89	\$27,783.87	\$31,434.89	\$35,565.70	\$40,239.32
Management Fees	\$10,872.80	\$12,301.58	\$13,918.10	\$15,747.06	\$17,816.35	\$20,157.57
General & Admin.	\$2,718.20	\$3,075.39	\$3,479.53	\$3,936.76	\$4,454.09	\$5,039.39
Replacement Reserve	\$5,436.40	\$6,150.79	\$6,959.05	\$7,873.53	\$8,908.18	\$10,078.78
Housekeeping	\$-	\$-	\$-	\$-	\$-	\$-
Direct Operating Costs	\$-	\$-	\$-	\$-	\$-	\$-
Advertising & Promotion	\$-	\$-	\$-	\$-	\$-	\$-
Garbage / Snow / Landscaping	\$-	\$-	\$-	\$-	\$-	\$-
Wages & Benefits (Property Manager)	\$-	\$-	\$-	\$-	\$-	\$-
Professional Fees	\$-	\$-	\$-	\$-	\$-	\$-
Elevator(s)	\$-	\$-	\$-	\$-	\$-	\$-
Miscellaneous	\$-	\$-	\$-	\$-	\$-	\$-
Total Expenses	\$122,260.44	\$138,326.46	\$156,503.69	\$177,069.57	\$200,337.96	\$226,664.01
Total Expenses as % of EGI	44.98%	44.98%	44.98%	44.98%	44.98%	44.98%
Total Expenses as % of PGI	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%
Res. Net Operating Income (NOI)	\$149,559.60	\$169,212.96	\$191,448.93	\$216,606.89	\$245,070.82	\$277,275.13
Annual Debt Payment	\$75,168.01	\$75,168.01	\$75,168.01	\$75,168.01	\$75,168.01	\$60,081.95
Debt Coverage Ratio (DCR)	1.99	2.25	2.55	2.88	3.26	4.61
Cash Flow / Surplus	\$74,391.58	\$94,044.94	\$116,280.91	\$141,438.88	\$169,902.80	\$217,193.18
Asset Value	\$2,601,036.48	\$2,942,834.03	\$3,329,546.59	\$3,767,076.36	\$4,262,101.13	\$4,822,176.23
Growth in Residential Revenue (Per Yr)	2.5%			0.05%		
Growth in Expenses (Per Yr)	2.5%					
Total Accumulated Replacement Reserve	\$102,666.35	\$131,956.25	\$165,095.07	\$202,588.62	\$245,009.12	\$293,004.02
Total Ending Surplus	\$884,904.91	\$1,314,852.58	\$1,850,687.37	\$2,506,323.72	\$3,297,504.55	\$4,257,127.57
Ending Reserve and Surplus	\$987,571.26	\$1,446,808.82	\$2,015,782.44	\$2,708,912.33	\$3,542,513.66	\$4,550,131.59

## 7.2 Small Scale Affordable Housing Development

### Overview

As detailed in the development plan (section 6), the Small Scale Affordable Housing Development is planned to be designed as a multi-unit development. It will likely be in the form of row housing or duplexes.

A total of 5 affordable units will be built (Table 11). The development is planned to provide approximately 3,215 square feet of living space across an estimated two storeys, for a total square footage of 4,338 square feet (2,169 square feet per floor). The exact structure of the building has not been determined, but it is assumed the development will consist of row housing and a potential secondary suite. There will be a total of 1 one bedroom, 2 two bedroom and 2 three bedroom units in the development. This building program is supported by the analysis of housing need in Fort Macleod. Depending on the configuration of the project, zoning variances may be required. Specific unit sizes may also vary depending on land location, size and configuration as well as detailed design requirements. The town will work with you to identify a site and zoning that is compatible with this development.

**Table 11: Proposed Small Scale Affordable Housing Development**

Unit Type	# of Units	Square Footage per Unit	Total Square Footage
<b>Affordable Units</b>			
One Bedroom	1	465	465
Two Bedroom	2	600	1,200
Three Bedroom	2	775	1,550
<b>Total</b>	<b>5</b>		<b>3,215</b>
<b>Leasable Square Footage</b>			<b>3,215</b>
<b>Stairs &amp; Corridors Gross Up</b>			<b>3,858</b>
<b>Administrative &amp; Reception</b>			<b>480</b>
<b>Total Square Footage of Development</b>			<b>4,338</b>
<b>Parking Stalls</b>			<b>5</b>
<b>Parking Stalls Square Footage</b>			<b>555</b>

## Financing & Funding

The development will be cash positive from year 1, with a total estimated cost of **\$1,403,630**.

Equity will be made available by contributions from various parties, which may include the provincial government, CMHC and other programs that support affordable housing development. Land costs are \$0 as it is assumed that land will either be donated by or brought in as equity by another party, such as the Town, private investor, etc. An overview of the project funding breakdown can be seen below in Table 12.

**Table 12: Small Scale Affordable Housing Development Construction Funding Breakdown**

<b>Total Project Cost</b>	<b>\$1,403,630</b>
Cost of Land	\$0
Required Equity	\$818,982
Required Financing (41.65% of costs)	\$584,648

As seen below in Table 13, the sources of rental revenue for the development are highlighted. The affordable rental rates were derived by taking a discount of the local rental rates and considering what tenants can afford to pay for housing without overspending.

**Table 13: Proposed Rent Roll for Small Scale Affordable Housing Development**

Unit Type	# of Units	Monthly Rent per Unit	Monthly Income
<b>Affordable Units</b>			
One Bedroom	1	\$504.97	\$504.97
Two Bedroom	2	\$671.40	\$1,342.80
Three Bedroom	2	\$1,050.00	\$2,100.00
<b>Total</b>	<b>5</b>		<b>\$3,947.77</b>

Table 14 below highlights the operating summary of the development. It tabulates the following: the potential income of the building and the income after projected losses due to vacancy (based on a 10-year average), the expenses of the building and the expenses as a percentage of effective income (operating expense ratio), the income after operating expenses (net income), the ratio of net income over debt payments (DCR) in the first year and the overall surplus after all payments and expenses in the first year.

**Table 14: Small Scale Affordable Housing Development  
Operating Summary**

Potential Gross Income (PGI)	\$47,373
Effective Gross Income (EGI)	\$42,129
Operating Expenses	\$14,364
Operating Expense Ratio (as % of EGI)	\$34.1
Net Income	\$27,765
DCR	1.10
Surplus	\$2,537

The following tables provide the proforma for the development from year 1-21 as well as additional years. It is a detailed breakdown of all the revenues, expenses and debt payments of the development. The most important indicators are the Effective Gross Income (EGI), the Total Expenses, the Residential Net Operating Income (NOI), the Debt Coverage Ratio (DCR) and the Surplus. As seen in the tables below in the first year, the DCR is 1.10 and the Surplus is positive.



## Preliminary Year 1 to 5 Proforma

Revenue	Year 1	Year 2	Year 3	Year 4	Year 5
Residential Revenues	\$47,373.19	\$48,557.52	\$49,771.46	\$51,015.75	\$52,291.14
Additional Income	\$-	\$-	\$-	\$-	\$-
Potential Gross Income (PGI)	\$47,373.19	\$48,557.52	\$49,771.46	\$51,015.75	\$52,291.14
Vacancy Loss : Res. Revenues	\$(4,533.14)	\$(4,646.47)	\$(4,762.63)	\$(4,881.70)	\$(5,003.74)
Vacancy Loss : Bad Debts	\$(710.60)	\$(728.36)	\$(746.57)	\$(765.24)	\$(784.37)
Vacancy Loss : Others	\$-	\$-	\$-	\$-	\$-
Total Vacancy Loss	\$(5,243.74)	\$(5,374.83)	\$(5,509.20)	\$(5,646.93)	\$(5,788.11)
Effective Gross Income (EGI)	\$42,129.45	\$43,182.69	\$44,262.26	\$45,368.81	\$46,503.03
Operating Expense	Year 1	Year 2	Year 3	Year 4	Year 5
Taxes	\$-	\$-	\$-	\$-	\$-
Insurance	\$1,110.00	\$1,137.75	\$1,166.19	\$1,195.35	\$1,225.23
Backup for Heat & Electricity	\$-	\$-	\$-	\$-	\$-
Water & Sewer	\$1,655.00	\$1,696.38	\$1,738.78	\$1,782.25	\$1,826.81
Electricity	\$1,250.00	\$1,281.25	\$1,313.28	\$1,346.11	\$1,379.77
Heat	\$1,250.00	\$1,281.25	\$1,313.28	\$1,346.11	\$1,379.77
Maintenance & Repairs	\$3,750.00	\$3,843.75	\$3,939.84	\$4,038.34	\$4,139.30
Superintendent	\$2,400.00	\$2,460.00	\$2,521.50	\$2,584.54	\$2,649.15
Management Fees	\$1,685.18	\$1,727.31	\$1,770.49	\$1,814.75	\$1,860.12
General & Admin.	\$421.29	\$431.83	\$442.62	\$453.69	\$465.03
Replacement Reserve	\$842.59	\$863.65	\$885.25	\$907.38	\$930.06
Housekeeping	\$-	\$-	\$-	\$-	\$-
Direct Operating Costs	\$-	\$-	\$-	\$-	\$-
Advertising & Promotion	\$-	\$-	\$-	\$-	\$-
Garbage / Snow / Landscaping	\$-	\$-	\$-	\$-	\$-
Wages & Benefits (Property Manager)	\$-	\$-	\$-	\$-	\$-
Professional Fees	\$-	\$-	\$-	\$-	\$-
Elevator(s)	\$-	\$-	\$-	\$-	\$-
Miscellaneous	\$-	\$-	\$-	\$-	\$-
Total Expenses	\$14,364.06	\$14,723.16	\$15,091.24	\$15,468.52	\$15,855.24
Total Expenses as % of EGI	34.10%	34.10%	34.10%	34.10%	34.10%
Total Expenses as % of PGI	30.32%	30.32%	30.32%	30.32%	30.32%
Res. Net Operating Income (NOI)	\$27,765.39	\$28,459.53	\$29,171.02	\$29,900.29	\$30,647.80
Annual Debt Payment	\$25,228.88	\$25,228.88	\$25,228.88	\$25,228.88	\$25,228.88
Debt Coverage Ratio (DCR)	1.10	1.13	1.16	1.19	1.21
Cash Flow / Surplus	\$2,536.51	\$3,230.65	\$3,942.13	\$4,671.41	\$5,418.92
Asset Value	\$482,876.39	\$494,948.30	\$507,322.01	\$520,005.06	\$533,005.18
Growth in Residential Revenue (Per Yr)	2.50%	Cap. Rate		5.75%	
Growth in Expenses (Per Yr)	2.50%				
Total Accumulated Replacement Reserve	\$842.59	\$1,706.24	\$2,591.49	\$3,498.86	\$4,428.93
Total Ending Surplus	\$2,536.51	\$5,767.16	\$9,709.29	\$14,380.70	\$19,799.61
Ending Reserve and Surplus	\$3,379.10	\$7,473.40	\$12,300.78	\$17,879.56	\$24,228.54



## Preliminary Year 6 to 10 Proforma

Revenue	Year 6	Year 7	Year 8	Year 9	Year 10
Residential Revenues	\$53,598.42	\$54,938.38	\$56,311.84	\$57,719.64	\$59,162.63
Additional Income	\$-	\$-	\$-	\$-	\$-
Potential Gross Income (PGI)	\$53,598.42	\$54,938.38	\$56,311.84	\$57,719.64	\$59,162.63
Vacancy Loss : Res. Revenues	\$(5,128.83)	\$(5,257.05)	\$(5,388.48)	\$(5,523.19)	\$(5,661.27)
Vacancy Loss : Bad Debts	\$(803.98)	\$(824.08)	\$(844.68)	\$(865.79)	\$(887.44)
Vacancy Loss : Others	\$-	\$-	\$-	\$-	\$-
Total Vacancy Loss	\$(5,932.81)	\$(6,081.13)	\$(6,233.16)	\$(6,388.99)	\$(6,548.71)
Effective Gross Income (EGI)	\$47,665.61	\$48,857.25	\$50,078.68	\$51,330.65	\$52,613.92
Operating Expense	Year 6	Year 7	Year 8	Year 9	Year 10
Taxes	\$-	\$-	\$-	\$-	\$-
Insurance	\$1,255.86	\$1,287.26	\$1,319.44	\$1,352.43	\$1,386.24
Backup for Heat & Electricity	\$-	\$-	\$-	\$-	\$-
Water & Sewer	\$1,872.48	\$1,919.29	\$1,967.27	\$2,016.46	\$2,066.87
Electricity	\$1,414.26	\$1,449.62	\$1,485.86	\$1,523.00	\$1,561.08
Heat	\$1,414.26	\$1,449.62	\$1,485.86	\$1,523.00	\$1,561.08
Maintenance & Repairs	\$4,242.78	\$4,348.85	\$4,457.57	\$4,569.01	\$4,683.24
Superintendent	\$2,715.38	\$2,783.26	\$2,852.85	\$2,924.17	\$2,997.27
Management Fees	\$1,906.62	\$1,954.29	\$2,003.15	\$2,053.23	\$2,104.56
General & Admin.	\$476.66	\$488.57	\$500.79	\$513.31	\$526.14
Replacement Reserve	\$953.31	\$977.15	\$1,001.57	\$1,026.61	\$1,052.28
Housekeeping	\$-	\$-	\$-	\$-	\$-
Direct Operating Costs	\$-	\$-	\$-	\$-	\$-
Advertising & Promotion	\$-	\$-	\$-	\$-	\$-
Garbage / Snow / Landscaping	\$-	\$-	\$-	\$-	\$-
Wages & Benefits (Property Manager)	\$-	\$-	\$-	\$-	\$-
Professional Fees	\$-	\$-	\$-	\$-	\$-
Elevator(s)	\$-	\$-	\$-	\$-	\$-
Miscellaneous	\$-	\$-	\$-	\$-	\$-
Total Expenses	\$16,251.62	\$16,657.91	\$17,074.36	\$17,501.21	\$17,938.74
Total Expenses as % of EGI	34.10%	34.10%	34.10%	34.10%	34.10%
Total Expenses as % of PGI	30.32%	30.32%	30.32%	30.32%	30.32%
Res. Net Operating Income (NOI)	\$31,413.99	\$32,199.34	\$33,004.33	\$33,829.43	\$34,675.17
Annual Debt Payment	\$25,228.88	\$25,228.88	\$25,228.88	\$25,228.88	\$25,228.88
Debt Coverage Ratio (DCR)	1.25	1.28	1.31	1.34	1.37
Cash Flow / Surplus	\$6,185.11	\$6,970.46	\$7,775.44	\$8,600.55	\$9,446.29
Asset Value	\$546,330.31	\$559,988.57	\$573,988.28	\$588,337.99	\$603,046.44
Growth in Residential Revenue (Per Yr)	2.50%	Capex			
Growth in Expenses (Per Yr)	2.50%				
Total Accumulated Replacement Reserve	\$5,382.24	\$6,359.38	\$7,360.96	\$8,387.57	\$9,439.85
Total Ending Surplus	\$25,984.72	\$32,955.19	\$40,730.63	\$49,331.18	\$58,777.47
Ending Reserve and Surplus	\$31,366.96	\$39,314.57	\$48,091.59	\$57,718.75	\$68,217.32

## Preliminary Year 11 to 15 Proforma

Revenue	Year 11	Year 12	Year 13	Year 14	Year 15
Residential Revenues	\$60,641.69	\$62,157.73	\$63,711.68	\$65,304.47	\$66,937.08
Additional Income	\$-	\$-	\$-	\$-	\$-
Potential Gross Income (PGI)	\$60,641.69	\$62,157.73	\$63,711.68	\$65,304.47	\$66,937.08
Vacancy Loss : Res. Revenues	\$(5,802.80)	\$(5,947.87)	\$(6,096.57)	\$(6,248.98)	\$(6,405.21)
Vacancy Loss : Bad Debts	\$(909.63)	\$(932.37)	\$(955.68)	\$(979.57)	\$(1,004.06)
Vacancy Loss : Others	\$-	\$-	\$-	\$-	\$-
Total Vacancy Loss	\$(6,712.43)	\$(6,880.24)	\$(7,052.25)	\$(7,228.55)	\$(7,409.27)
Effective Gross Income (EGI)	\$53,929.26	\$55,277.49	\$56,659.43	\$58,075.92	\$59,527.82
Operating Expense	Year 11	Year 12	Year 13	Year 14	Year 15
Taxes	\$-	\$-	\$-	\$-	\$-
Insurance	\$1,420.89	\$1,456.42	\$1,492.83	\$1,530.15	\$1,568.40
Backup for Heat & Electricity	\$-	\$-	\$-	\$-	\$-
Water & Sewer	\$2,118.54	\$2,171.50	\$2,225.79	\$2,281.44	\$2,338.47
Electricity	\$1,600.11	\$1,640.11	\$1,681.11	\$1,723.14	\$1,766.22
Heat	\$1,600.11	\$1,640.11	\$1,681.11	\$1,723.14	\$1,766.22
Maintenance & Repairs	\$4,800.32	\$4,920.32	\$5,043.33	\$5,169.42	\$5,298.65
Superintendent	\$3,072.20	\$3,149.01	\$3,227.73	\$3,308.43	\$3,391.14
Management Fees	\$2,157.17	\$2,211.10	\$2,266.38	\$2,323.04	\$2,381.11
General & Admin.	\$539.29	\$552.77	\$566.59	\$580.76	\$595.28
Replacement Reserve	\$1,078.59	\$1,105.55	\$1,133.19	\$1,161.52	\$1,190.56
Housekeeping	\$-	\$-	\$-	\$-	\$-
Direct Operating Costs	\$-	\$-	\$-	\$-	\$-
Advertising & Promotion	\$-	\$-	\$-	\$-	\$-
Garbage / Snow / Landscaping	\$-	\$-	\$-	\$-	\$-
Wages & Benefits (Property Manager)	\$-	\$-	\$-	\$-	\$-
Professional Fees	\$-	\$-	\$-	\$-	\$-
Elevator(s)	\$-	\$-	\$-	\$-	\$-
Miscellaneous	\$-	\$-	\$-	\$-	\$-
Total Expenses	\$18,387.21	\$18,846.89	\$19,318.07	\$19,801.02	\$20,296.04
Total Expenses as % of EGI	34.10%	34.10%	34.10%	34.10%	34.10%
Total Expenses as % of PGI	30.32%	30.32%	30.32%	30.32%	30.32%
Res. Net Operating Income (NOI)	\$35,542.05	\$36,430.60	\$37,341.37	\$38,274.90	\$39,231.77
Annual Debt Payment	\$25,228.88	\$25,228.88	\$25,228.88	\$25,228.88	\$25,228.88
Debt Coverage Ratio (DCR)	1.41	1.44	1.48	1.52	1.56
Cash Flow / Surplus	\$10,313.17	\$11,201.72	\$12,112.48	\$13,046.02	\$14,002.89
Asset Value	\$618,122.60	\$633,575.67	\$649,415.06	\$665,650.44	\$682,291.70
Growth in Residential Revenue (Per Yr)	2.50%				
Growth in Expenses (Per Yr)	2.50%				
Total Accumulated Replacement Reserve	\$10,518.43	\$11,623.98	\$12,757.17	\$13,918.69	\$15,109.25
Total Ending Surplus	\$69,090.64	\$80,292.36	\$92,404.84	\$105,450.86	\$119,453.75
Ending Reserve and Surplus	\$79,609.07	\$91,916.34	\$105,162.01	\$119,369.55	\$134,563.00

## Preliminary Year 16 to 21 Proforma

Revenue	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21
Residential Revenues	\$68,610.51	\$70,325.77	\$72,083.92	\$73,886.01	\$75,733.16	\$77,626.49
Additional Income	\$-	\$-	\$-	\$-	\$-	\$-
Potential Gross Income (PGI)	\$68,610.51	\$70,325.77	\$72,083.92	\$73,886.01	\$75,733.16	\$77,626.49
Vacancy Loss : Res. Revenues	\$(6,565.34)	\$(6,729.47)	\$(6,897.71)	\$(7,070.15)	\$(7,246.91)	\$(7,428.08)
Vacancy Loss : Bad Debts	\$(1,029.16)	\$(1,054.89)	\$(1,081.26)	\$(1,108.29)	\$(1,136.00)	\$(1,164.40)
Vacancy Loss : Others	\$-	\$-	\$-	\$-	\$-	\$-
Total Vacancy Loss	\$(7,594.50)	\$(7,784.36)	\$(7,978.97)	\$(8,178.44)	\$(8,382.90)	\$(8,592.48)
Effective Gross Income (EGI)	\$61,016.01	\$62,541.41	\$64,104.95	\$65,707.57	\$67,350.26	\$69,034.02
Operating Expense	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21
Taxes	\$-	\$-	\$-	\$-	\$-	\$-
Insurance	\$1,607.61	\$1,647.80	\$1,689.00	\$1,731.22	\$1,774.50	\$1,818.86
Backup for Heat & Electricity	\$-	\$-	\$-	\$-	\$-	\$-
Water & Sewer	\$2,396.93	\$2,456.86	\$2,518.28	\$2,581.24	\$2,645.77	\$2,711.91
Electricity	\$1,810.37	\$1,855.63	\$1,902.02	\$1,949.57	\$1,998.31	\$2,048.27
Heat	\$1,810.37	\$1,855.63	\$1,902.02	\$1,949.57	\$1,998.31	\$2,048.27
Maintenance & Repairs	\$5,431.12	\$5,566.90	\$5,706.07	\$5,848.72	\$5,994.94	\$6,144.81
Superintendent	\$3,475.92	\$3,562.81	\$3,651.88	\$3,743.18	\$3,836.76	\$3,932.68
Management Fees	\$2,440.64	\$2,501.66	\$2,564.20	\$2,628.30	\$2,694.01	\$2,761.36
General & Admin.	\$610.16	\$625.41	\$641.05	\$657.08	\$673.50	\$690.34
Replacement Reserve	\$1,220.32	\$1,250.83	\$1,282.10	\$1,314.15	\$1,347.01	\$1,380.68
Housekeeping	\$-	\$-	\$-	\$-	\$-	\$-
Direct Operating Costs	\$-	\$-	\$-	\$-	\$-	\$-
Advertising & Promotion	\$-	\$-	\$-	\$-	\$-	\$-
Garbage / Snow / Landscaping	\$-	\$-	\$-	\$-	\$-	\$-
Wages & Benefits (Property Manager)	\$-	\$-	\$-	\$-	\$-	\$-
Professional Fees	\$-	\$-	\$-	\$-	\$-	\$-
Elevator(s)	\$-	\$-	\$-	\$-	\$-	\$-
Miscellaneous	\$-	\$-	\$-	\$-	\$-	\$-
Total Expenses	\$20,803.44	\$21,323.53	\$21,856.62	\$22,403.03	\$22,963.11	\$23,537.19
Total Expenses as % of EGI	34.10%	34.10%	34.10%	34.10%	34.10%	34.10%
Total Expenses as % of PGI	30.32%	30.32%	30.32%	30.32%	30.32%	30.32%
Res. Net Operating Income (NOI)	\$40,212.57	\$41,217.88	\$42,248.33	\$43,304.54	\$44,387.15	\$45,496.83
Annual Debt Payment	\$25,228.88	\$25,228.88	\$25,228.88	\$25,228.88	\$25,228.88	\$25,228.88
Debt Coverage Ratio (DCR)	1.59	1.63	1.67	1.72	1.76	1.80
Cash Flow / Surplus	\$14,983.68	\$15,989.00	\$17,019.45	\$18,075.65	\$19,158.27	\$20,267.95
Asset Value	\$699,348.99	\$716,832.71	\$734,753.53	\$753,122.37	\$771,950.43	\$791,249.19
Growth in Residential Revenue (Per Yr)	2.50%					
Growth in Expenses (Per Yr)	2.50%					
Total Accumulated Replacement Reserve	\$16,329.57	\$17,580.39	\$18,862.49	\$20,176.64	\$21,523.65	\$22,904.33
Total Ending Surplus	\$134,437.44	\$150,426.43	\$167,445.88	\$185,521.53	\$204,679.80	\$224,947.75
Ending Reserve and Surplus	\$150,767.00	\$168,006.83	\$186,308.37	\$205,698.18	\$226,203.45	\$247,852.08

## Preliminary Additional Years Proforma

Revenue	Year 25	Year 30	Year 35	Year 40	Year 45	Year 50
Residential Revenues	\$85,685.12	\$96,944.85	\$109,684.20	\$124,097.61	\$140,405.05	\$158,855.43
Additional Income	\$-	\$-	\$-	\$-	\$-	\$-
Potential Gross Income (PGI)	\$85,685.12	\$96,944.85	\$109,684.20	\$124,097.61	\$140,405.05	\$158,855.43
Vacancy Loss : Res. Revenues	\$(8,199.21)	\$(9,276.65)	\$(10,495.68)	\$(11,874.90)	\$(13,435.36)	\$(15,200.88)
Vacancy Loss : Bad Debts	\$(1,285.28)	\$(1,454.17)	\$(1,645.26)	\$(1,861.46)	\$(2,106.08)	\$(2,382.83)
Vacancy Loss : Others	\$-	\$-	\$-	\$-	\$-	\$-
Total Vacancy Loss	\$(9,484.49)	\$(10,730.83)	\$(12,140.94)	\$(13,736.36)	\$(15,541.44)	\$(17,583.71)
Effective Gross Income (EGI)	\$76,200.64	\$86,214.03	\$97,543.26	\$110,361.24	\$124,863.62	\$141,271.72
Operating Expense	Year 25	Year 30	Year 35	Year 40	Year 45	Year 50
Taxes	\$-	\$-	\$-	\$-	\$-	\$-
Insurance	\$2,007.69	\$2,271.51	\$2,570.01	\$2,907.73	\$3,289.83	\$3,722.14
Backup for Heat & Electricity	\$-	\$-	\$-	\$-	\$-	\$-
Water & Sewer	\$2,993.44	\$3,386.80	\$3,831.86	\$4,335.40	\$4,905.10	\$5,549.67
Electricity	\$2,260.91	\$2,558.01	\$2,894.15	\$3,274.47	\$3,704.76	\$4,191.60
Heat	\$2,260.91	\$2,558.01	\$2,894.15	\$3,274.47	\$3,704.76	\$4,191.60
Maintenance & Repairs	\$6,782.72	\$7,674.03	\$8,682.46	\$9,823.40	\$11,114.28	\$12,574.79
Superintendent	\$4,340.94	\$4,911.38	\$5,556.77	\$6,286.98	\$7,113.14	\$8,047.86
Management Fees	\$3,048.03	\$3,448.56	\$3,901.73	\$4,414.45	\$4,994.54	\$5,650.87
General & Admin.	\$762.01	\$862.14	\$975.43	\$1,103.61	\$1,248.64	\$1,412.72
Replacement Reserve	\$1,524.01	\$1,724.28	\$1,950.87	\$2,207.22	\$2,497.27	\$2,825.43
Housekeeping	\$-	\$-	\$-	\$-	\$-	\$-
Direct Operating Costs	\$-	\$-	\$-	\$-	\$-	\$-
Advertising & Promotion	\$-	\$-	\$-	\$-	\$-	\$-
Garbage / Snow / Landscaping	\$-	\$-	\$-	\$-	\$-	\$-
Wages & Benefits (Property Manager)	\$-	\$-	\$-	\$-	\$-	\$-
Professional Fees	\$-	\$-	\$-	\$-	\$-	\$-
Elevator(s)	\$-	\$-	\$-	\$-	\$-	\$-
Miscellaneous	\$-	\$-	\$-	\$-	\$-	\$-
Total Expenses	\$25,980.65	\$29,394.72	\$33,257.43	\$37,627.73	\$42,572.32	\$48,166.68
Total Expenses as % of EGI	34.10%	34.10%	34.10%	34.10%	34.10%	34.10%
Total Expenses as % of PGI	30.32%	30.32%	30.32%	30.32%	30.32%	30.32%
Res. Net Operating Income (NOI)	\$50,219.99	\$56,819.30	\$64,285.83	\$72,733.51	\$82,291.29	\$93,105.05
Annual Debt Payment	\$25,228.88	\$25,228.88	\$25,228.88	\$25,228.88	\$25,228.88	\$20,165.50
Debt Coverage Ratio (DCR)	1.99	2.25	2.55	2.88	3.26	4.62
Cash Flow / Surplus	\$24,991.10	\$31,590.42	\$39,056.95	\$47,504.63	\$57,062.41	\$72,939.55
Asset Value	\$873,391.06	\$988,161.81	\$1,118,014.39	\$1,264,930.66	\$1,431,152.94	\$1,619,218.19
Growth in Residential Revenue (Per Yr)	2.5%					
Growth in Expenses (Per Yr)	2.5%					
Total Accumulated Replacement Reserve	\$28,780.96	\$36,991.94	\$46,281.91	\$56,792.66	\$68,684.60	\$82,139.25
Total Ending Surplus	\$297,413.72	\$441,841.37	\$621,824.42	\$842,035.12	\$1,107,759.73	\$1,430,042.53
Ending Reserve and Surplus	\$326,194.68	\$478,833.31	\$668,106.33	\$898,827.78	\$1,176,444.33	\$1,512,181.78

# 8. Conclusions



**Fort Macleod**  
Business Investment Package

## 8.1 Things to Consider

When seeking renters, marketing is key for any successful project. Occupancy rates for the Affordable and Market Housing development might be lower than projected if it has not been marketed properly. It is important to communicate to prospective users and the community how this development is different, positive and beneficial. For example, is it:

- Providing a key service to vulnerable people in the community who would otherwise have nowhere to go?
- A novel model that will give people an opportunity to get back on their feet and provide an affordable and sustainable place to stay?
- Innovative, cost effective, and durable?
- Capacity-building with other non-profits?
- A development that will serve as an example to support future public and private investment to improve the community?

It is important to develop a preliminary marketing strategy using tools such as:

- Free media coverage.
- Community flyers distributed with local organizations.
- Word-of-mouth.
- Churches and other faith based groups.
- Local newsletters and newspapers.

In addition, the project representatives should also consistently speak at pre-arranged meetings and events held by faith groups, civic groups and organizations in the area.

### Marketing through Realtors

Local realtors should be utilized to get the word out about this housing option. Realtors are an excellent resource to link renters with suitable accommodations. The Alberta Real Estate Foundation has been very supportive of this initiative and has agreed to support RDN initiatives in the future.

### New Renter Training and Support

It should be communicated to potential tenants that checklists will be created and provided to advise them about the things they need to do, have and prepare for, in order to rent and maintain the rooms. This will not only help maintain this facility but also train the tenants and educate them for a brighter future.

## 8.2 Final

This case summarizes the details of the Town of Fort Macleod's initiative to develop affordable housing of various kinds in the the Town. There is a critical need for housing in Fort Macleod that stretches across the Housing Continuum. The projects proposed in this Business Investment Package will cater to this need, and serve vulnerable people through several different kinds of affordable housing.

Key stakeholder consultations with various groups in the Town of Fort Macleod showcase that there is a gap in capacity in the Town for new singles and family housing. The consultations also identified the importance of ensuring that suitable seniors housing is also created. The current need for these types of housing cannot be met with the current stock available in the community. Furthermore, qualitative data, the Needs Assessment (provided separately) and the research provided in this case illustrate that there is an immediate and strong need for affordable housing in Fort Macleod to service the most vulnerable individuals of the community and surrounding area. Also, a gap analysis shows that upwards of 160 families or 170 households are in immediate housing need.

In response to this gap, Fort Macleod, in collaboration with the Rural Development Network (RDN), developed an **Affordable Housing Strategy** for the Town of Fort Macleod that identifies key strategic bundles of actions to promote and support additional housing development within the community. This Business Investment Package was developed to kickstart key elements of the strategy, including building partnerships with development groups.

Two potential projects were detailed in this Business Investment Package: **a large scale mixed market development** and **a small scale affordable housing development**. These projects were designed to suit differing development needs, including the need for rapid development that houses a large amount of people, as well as the need for small scale infill development that can be replicated on various existing sites throughout the Town. Combined, these projects will help bridge the affordability gap between what is available in the private market and what people require in order to meet their housing needs.

Although specific sites have not been identified for these developments, the Town has several municipally owned sites that could be earmarked for these projects.

A detailed overview of the two potential projects follows on the next page.

## Large Scale Mixed Market Development

Total Project Cost: \$4,267,922

Equity Required: \$2,525,997

Financing @ 40.81% of total cost:  
\$1,741,925

Unit Type	# of Units	Monthly Rent per Unit
<b>Affordable Units</b>	<b>16</b>	
Studio	4	\$402.22
One Bedroom	10	\$504.97
Three Bedroom	1	\$1,050.00
Shared Spaces	1	\$1,206.65
<b>Market Units</b>	<b>9</b>	
Studio	4	\$502.77
One Bedroom	5	\$631.21
<b>Total</b>	<b>25</b>	

## Small Scale Affordable Housing Development

Total Project Cost: \$1,403,630

Equity Required: \$818,982

Financing @ 41.65% of total cost: \$584,648

Unit Type	# of Units	Monthly Rent per Unit
<b>Affordable Units</b>	<b>5</b>	
One Bedroom	1	\$504.97
Two Bedroom	2	\$671.40
Three Bedroom	2	\$1,050.00
<b>Total</b>	<b>5</b>	

## Next Steps

- Refining project details to achieve best feasibility, in collaboration with selected development partners.
- Applying towards various funding programs, both provincial and federal.
- Revising the preliminary proforma statement as and when various pieces of this project are finalized.
- The implementation of the Fort Macleod Affordable Housing Strategy, in support of this Business Investment Package.



# 9. Appendix



**Fort Macleod**  
Business Investment Package

## 9.1 List of Funding Sources

Below is a list of funding sources that can be leveraged to support affordable housing in Fort Macleod. This is a non-exhaustive list that is current as of June 2021. Funding sources may change in the future.

Purpose	Estimated Funding Amount	Funding Name	Funder	Description	Webpage
Early Project Planning	Upwards of \$25,000 (project dependent)	Planning Grant	FCM	This funding assists groups kick-off their affordable housing projects by paying for early project activities such as determining need, gauging early project feasibility etc.	<a href="#">Link</a>
Project Pre-Development Work	Upwards of \$500,000 (project dependent)	Seed Funding	CMHC	This funding assists groups with completing project pre-development to get their projects ready for construction and applying towards capital funds	<a href="#">Link</a>
Project Pre-Development Work	Upwards of \$175,000 (project dependent)	Study Grant	FCM	This funding assists groups with completing project pre-development to get their projects ready for construction and applying towards capital funds.	<a href="#">Link</a>
Pilot Project Research	Upwards of \$500,000 (project dependent)	Pilot Project	FCM	This funding allows groups to test out a project concept on a small-scale to see how it works before implementing it on a large scale.	<a href="#">Link</a>
Project Capital Funding	Project Dependent (usually upwards of millions of dollars)	Co-Investment Funding	CMHC	This funding is to pay for large parts of project construction (a capital fund). This specific fund focuses on partnership with different levels of government.	<a href="#">Link 1</a> <a href="#">Link 2</a>
Project Capital Funding	Project Dependent (usually upwards of millions of dollars)	Rental Construction Financing	CMHC	This funding is to pay for large parts of project construction (a capital fund). This specific fund is more readily available to for-profit developers.	<a href="#">Link</a>
Project Capital Funding	Project Dependent (usually upwards of millions of dollars)	Capital Funding	FCM	This funding is to pay for large parts of project construction (a capital fund). This specific fund focuses on energy efficiency for projects and has specific requirements regarding efficiency levels.	<a href="#">Link 1</a> <a href="#">Link 2</a>



**July 2021**

info@ruraldevelopment.ca  
11443 - 143 St. NW  
Edmonton, AB





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## **LETTER OF SUPPORT: REGIONAL HOUSING SUPPLY INITIATIVE**

### **RECOMMENDATION:**

That Council directs Administration to draft and send a letter to Honourable Jason Nixon, Minister of Seniors, Community and Social Services, supporting Alberta SouthWest's proposed regional solution for housing supply for proof of concept in principle.

### **OPTIONS & ANALYSIS:**

There are three example letters of support with varying degrees of commitment. Council can choose the level of support they wish to commit to with this project. Administration recommends drafting its own letter of support with Council's direction.

### **DETAILS:**

Alberta SouthWest sent the following correspondence regarding this regional housing initiative:

"On September 14, 2023, AND Villages Ltd. and AlbertaSW met with senior staff from Seniors and Housing and Infrastructure.

Due to all the focused effort, we received a positive response to the ideas that have been developing over the last 7 months!!

Thank you to all of you, the EDOs and planners who has contributed ideas and information to refine and define this innovative, collaborative approach.

The Ministry is interested in our new approach and how it could work.

We have been advised by the Ministry that LETTERS OF SUPPORT from ALL our communities will greatly strengthen the Province's consideration to fund this as a special "proof of concept" program.

Housing is a common need, and even though each community is at a different stage of readiness, positive support from everyone will help us get started with 4-8 communities and see what we learn!

REQUEST, PLEASE: Letter of support by October 5 TO ASSIST YOU, WE HAVE ATTACHED:

A document with three samples of a LETTER OF SUPPORT for your review and use on your own letterhead.

The Program Proposal, for your reference:

Note that the Program is structured as a 2-phase "Proof of Concept":

Phase 1: (request: \$250K) for regional consultation, education and planning to start as soon as possible.

Collaborative process designed to benefit ALL communities to learn more about developing a step-by-step approach to assess assets, needs and processes.

Specific Planning with 4-8 communities to make an implementation plan with community needs, land, zoning, scope of financing defined.

Phase 2: (request \$10M) in fiscal year 2024-2025 to tender and build housing.

Financial support for communities to move ahead with housing projects that suit their needs AND, in addition, demonstrate efficiencies gained through a collaborative approach.

Thank you for giving this your earliest consideration.

Please call me if you need any other information!

Bev Thornton

Executive Director, Alberta SouthWest Regional Alliance

International Economic Development Council (IEDC) Accredited Organization (AEDO)"

### **FINANCIAL IMPLICATIONS:**

No current financial commitment is required.

**COUNCIL STRATEGIC PLAN:**

*How is this submission supporting Council's Strategic Plan, Vision, and Mission?*

*Vision: A vibrant, growing community full of opportunity.*

*Mission: To provide high-quality service in an efficient and responsible manner.*

-This submission is GROWING Fort Macleod. (Supporting priorities such as Residential Housing, Infrastructure, or Business Growth)

**APPLICABLE LEGISLATION:**

N/A

**ATTACHMENTS:**

Proposed example letters of support.

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**PREPARED BY:** Meranda Day Chief, Executive Assistant

**APPROVED BY:** Anthony Burdett, CAO

**Sample Letter #1**

[Municipality Letterhead]

[Date: Month Day, Year]

**Honourable Mr. Jason Nixon**

Minister of Seniors, Community and Social Services

Office of the Minister

Seniors, Community and Social Services

227 Legislature Building

10800 - 97 Avenue

Edmonton, AB T5K 2B6

E-mail: [SCSS.minister@gov.ab.ca](mailto:SCSS.minister@gov.ab.ca)

**Subject: Support for Regional Initiative to address Housing Supply**

Dear Minister Nixon,

I hope this letter finds you in good health. We, representatives of Municipality X, are writing to express our keen support for AND Villages' Regional Solution for Housing Supply proposal for proof of concept. This housing supply initiative holds immense promise for our region by effectively addressing the region's pressing need for housing choice and market movement to bolster the overall well-being of our communities.

As you are aware, access to housing is a critical concern for our economic development. The lack of suitable housing options fails to support the initiatives and movement we gain in jobs, economy, and business. We need attention to both housing and economic development initiatives. AND Villages' proposed regional solution aligns with our municipality's goals and aspirations. The Alberta SW Regional Economic Development Alliance (REDA) is the right vehicle to execute the program.

The proposed framework, with provincial financial support, would enable us to expedite the development of housing projects that cater to a diverse range of needs across the region.

Our municipality is prepared to contribute wholeheartedly to this initiative: We are committed to:

- Collaborating with participating municipalities and our REDA
- Vending in a 1 acre municipally owned parcel,
- Ensuring planning and servicing for the parcel,
- Working with the Province to review our municipal borrowing powers,
- Working with the province and participating in reporting progress,
- Working with AND Villages to build the program and follow through, streamlining planning and permitting processes, to occupancy

We understand that the success of this initiative hinges on strong collaboration between the provincial government, our REDA, our private partner AND Villages, and participating municipalities, and we are ready to play our part.

We kindly request the support of Seniors, Community, and Social Services in facilitating this initiative. Grant funding of \$10M as proposed in two phases would ensure the successful realization of our housing goals within the proposed 18-24 month timeline.

Thank you for your time and consideration. We look forward to the opportunity to discuss this initiative further and to work closely with your esteemed ministry to improve housing accessibility and affordability in our region.

Sincerely,

[Your Name] [Your Title] [Contact Information]

Cc: David Williams, Seniors, Community, and Social Services [David.E.Williams@gov.ab.ca](mailto:David.E.Williams@gov.ab.ca)  
Bev Thornton, AlbertaSW Regional Alliance [bev@albertasouthwest.com](mailto:bev@albertasouthwest.com)  
Karin Finley, AND Villages Ltd. [karin@andvillages.ca](mailto:karin@andvillages.ca)

## Sample letter #2

[Municipality Letterhead]

[Date: Month Day, Year]

**Honourable Mr. Jason Nixon**

Minister of Seniors, Community and Social Services

Office of the Minister

Seniors, Community and Social Services

227 Legislature Building

10800 - 97 Avenue

Edmonton, AB T5K 2B6

E-mail: [SCSS.minister@gov.ab.ca](mailto:SCSS.minister@gov.ab.ca)

**Subject: Support for Regional Initiative to address Housing Supply**

Dear Minister Nixon,

I trust this letter finds you well. We are writing on behalf of Municipality Y to express our wholehearted endorsement of AND Villages' Regional Solution for Housing Supply proposal for proof of concept. This initiative represents a remarkable opportunity to address the housing challenges we face and to collaboratively work towards providing a catalyst for housing in our municipality and region.

Municipality Y has a growing need for diversity of housing, and we firmly believe that this initiative will greatly alleviate the housing shortage. We are committed to a framework that involves provincial financial support, review of municipal borrowing powers and extension of limits as needed, and streamlined reporting mechanisms, as these actions ensure a structured approach that maximizes the impact of available resources.

Our community is enthusiastic about actively participating in the implementation of this initiative. We are committed to facilitating the necessary zoning changes, expediting the permitting process, and working closely with AND Villages to ensure the timely completion of housing projects. The proposed timeline of 18-24 months aligns well with our goals and reflects the urgency of the housing situation.

The associated reporting requirements are viewed positively, as they enable accountability and transparency. Municipality Y is fully prepared to provide the required data and progress updates to demonstrate the outcomes of our collective efforts.

We kindly request support from Seniors, Community and Social Services and provincial support to make this initiative a reality. Provincial investment of capital and in expanded borrowing powers is critical in helping us achieve our shared objective of enhancing housing availability within our community.

Thank you for your consideration. We eagerly anticipate the opportunity to collaborate with your ministry in advancing this initiative and creating a positive impact on the lives of our residents.

Warm regards,

[Your Name] [Your Title] [Contact Information]

Cc: David Williams, Seniors, Community, and Social Services [David.E.Williams@gov.ab.ca](mailto:David.E.Williams@gov.ab.ca)



Bev Thornton, AlbertaSW Regional Alliance [bev@albertasouthwest.com](mailto:bev@albertasouthwest.com)

Karin Finley, AND Villages Ltd. [karin@andvillages.ca](mailto:karin@andvillages.ca)

### Sample Letter #3

[Municipality Letterhead]

[Date: Month Day, Year]

**Honourable Mr. Jason Nixon**

Minister of Seniors, Community and Social Services

Office of the Minister

Seniors, Community and Social Services

227 Legislature Building

10800 - 97 Avenue

Edmonton, AB T5K 2B6

E-mail: [SCSS.minister@gov.ab.ca](mailto:SCSS.minister@gov.ab.ca)

**Subject: Support for Regional Initiative to address Housing Supply**

Dear Minister Nixon,

We, Council representatives of Municipality Z, are writing to convey our unequivocal support for AND Villages' Regional Solution for Housing Supply proposal. This proof of concept holds immense promise in addressing the critical housing shortage in our region and aligns seamlessly with our municipality's vision for a vibrant, diverse, and growth-oriented community.

Municipality Z has been grappling with a shortage of available housing options, affecting families, individuals, and our local economy. We believe that the proposed framework, coupled with provincial financial support and our willingness to review municipal borrowing powers and limits, will catalyze the development of housing projects that cater to diverse needs and income levels, thereby enhancing the overall quality of life in our community and providing a path for growth into the future.

We are fully committed to realizing success of the proof of concept and are prepared to collaborate with local stakeholders, streamline administrative processes, and expedite the necessary approvals to ensure the timely completion of housing projects. The proposed timeline of 18-24 months is ambitious yet realistic, and we are dedicated to doing our part to make it a reality.

We humbly request the support of Seniors, Community and Social Services to realize this vision. Your partnership is invaluable in ensuring the effective implementation of the Regional Solution for Housing Supply, efficient financial tools are leveraged, and addressing the pressing housing needs in our region.

Thank you for your time and consideration. We eagerly await the opportunity to work closely with your ministry and make meaningful progress toward achieving our shared housing goals.

Sincerely,

[Your Name] [Your Title] [Contact Information]

Cc: David Williams, Seniors, Community, and Social Services [David.E.Williams@gov.ab.ca](mailto:David.E.Williams@gov.ab.ca)

Bev Thornton, AlbertaSW Regional Alliance [bev@albertasouthwest.com](mailto:bev@albertasouthwest.com)

Karin Finley, AND Villages Ltd. [karin@andvillages.ca](mailto:karin@andvillages.ca)



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# **2024 ATCO Gas and Pipelines Ltd. Franchise Fee**

## **RECOMMENDATION:**

That Council approves leaving the 2024 Atco Gas and Pipelines Ltd. (ATCO) franchise fee at 12.5%.

## **DETAILS:**

The Town of Fort Macleod and ATCO are in a franchise agreement, whereby ATCO holds the franchise to supply natural gas to the Town of Fort Macleod. This franchise was granted on January 27, 1912 and has been reviewed and renewed regularly since that date. The current agreement was signed in 2022 and is for a fifteen (15) year term expiring October 31, 2037.

Each year, the Town of Fort Macleod determines what the franchise fee will be that is charged by ATCO to the customers in Fort Macleod and then flows back to the Town as franchise revenue.

The franchise fee is collected by the gas company on behalf of the local government as a charge to access municipal land to construct, maintain and operate distribution systems serving the customers of the town.

Currently the Town has a franchise fee of 12.5% which is projected to bring in \$136,559.00 in 2024. The franchise fee of 12.5% has not been increased since 2011 (or before).

## **PURPOSE:**

For Town Council to set the 2024 franchise fee that is charged on natural gas bills.

## **ANALYSIS & OPTIONS:**

The methodology agreed to for the calculation of the franchise fee is based upon a percentage of the delivery revenue generated by providing natural gas services. This calculation excludes the cost of the commodity, thus providing for less volatility related to the franchise fee revenue and more certainty for the customer. The franchise fee rate as approved by the Town Council is currently 12.5%. The agreement allows for a franchise fee of up to 35.0%, with any rate increase beyond that level requiring the approval of the Alberta Utilities Commission. The maximum 35.0% rate is consistent with a template developed collaboratively by the gas utility companies and the Alberta Urban Municipalities Association (the predecessor to AB Munis) in 2003. It is intended to provide flexibility for communities to adjust franchise fees within a range, without undertaking a full Alberta Utilities Commission franchise application and administrative process. The template was developed following guidelines set out in a decision of the Alberta Energy Utilities Board (the predecessor to the Alberta Utilities Commission), including the threshold rate of 35.0%

**FINANCIAL IMPLICATIONS:**

This franchise fee is an operating revenue item for the Town of Fort Macleod and will be budgeted in 2024 based on this decision. This revenue becomes part of the overall Town's surplus amount at year end and is dealt with Town Council when it transfers the surplus to reserves.

**COUNCIL STRATEGIC PLAN:**

This submission is **GROWING** Fort Macleod. By keeping the franchise fee at its current rate, the Town is committed to controlling the Town's impact on the natural gas charges to consumers.

**APPLICABLE LEGISLATION:**

Bylaw 1959 – Natural Gas Distribution System Franchise Agreement

**ATTACHMENTS:**

ATCO Gas and Pipelines Ltd. letter of August 29, 2023.

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**PREPARED BY:** Kris Holbeck, Director of Finance

**REVIEWED BY:** N/A

**APPROVED BY:** Anthony Burdett, CAO

29 August 2023

Town of Fort Macleod  
PO Box 1420  
Fort Macleod, AB, T0L 0Z0

**Attention:** Ms. Kris Holbeck, Director of Finance

**RE:** ATCO Gas and Pipelines Ltd. Natural Gas Distribution Franchise Agreement

As you are aware, ATCO Gas pays the Town of Fort Macleod a franchise fee. The franchise fee is collected from customers in Fort Macleod and is based on a percentage of our Delivery Tariff. In Fort Macleod, this percentage currently is 12.50%.

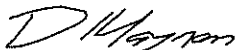
In 2022, our Delivery Tariff revenue in Fort Macleod was \$1,209,031. Our forecast Delivery Tariff revenue for 2024 is \$1,092,475. Therefore, based on the current franchise fee percentage, your forecast 2024 franchise fee revenue would be \$136,559.

Please note that the forecast 2024 Delivery Tariff revenue can be impacted by changes in customer operations and weather. Additionally, ATCO Gas has utilized forecast 2024 delivery rates, however, they are not yet approved by the Alberta Utilities Commission. ATCO Gas commits to providing updated franchise fee revenue forecasts at a future date should there be material impacts related to the update of these forecast assumptions.

Pursuant to our franchise agreement, you have the option to change the franchise fee percentage in 2024. A request to change the franchise fee must be received by ATCO in writing prior to November 1, 2023. If you are considering changing the franchise fee in 2024, please contact us as soon as possible to begin the process.

We trust you will find this information useful, and, if you have any questions or require anything further, please do not hesitate to contact me at [Dan.Magnan@atco.com](mailto:Dan.Magnan@atco.com).

Yours truly,



Dan Magnan  
Manager, Lethbridge Operations  
ATCO Natural Gas Division