



Jasper Community Housing Corporation Governance Review

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Project
Leaders

ACKNOWLEDGEMENTS

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1.0 Background

1.1 Background

The Municipality of Jasper's (Municipality) economy depends heavily on tourism, which consequently, depends on access to staff to support this economy. For local businesses, attracting and retaining employees is materially affected by the availability and affordability of housing. To say there is a shortage of affordable housing in Jasper would be an understatement. Vacancy rates have hovered near zero for close to a decade. The Municipality recognizes the housing shortage as a systemic barrier to the success of the community and has committed to conquering the challenge by making it a strategic priority of Council and Municipal Staff.

The Municipality owns three residential properties (one single family home and two sides of a duplex) and one commercial property (a medical clinic). The residential properties serve as accommodation for Municipal staff. The Municipality also rents a six-bed house from the private market for Municipal staff housing, a need that is anticipated to continue in the long term. There is currently no Municipality-owned affordable housing for residents of the Municipality. There are three affordable housing co-operatives that are privately managed and provide not-for-profit purchase opportunities for eligible residents. The Municipality is a member of the Regional Housing Management Body.

In September of 2007, the Jasper Community Housing Corporation (JCHC) was established as a wholly owned not-for-profit corporation of the Municipality. The JCHC has one paid employee who is a Municipal staff member that works on a 0.3 part-time basis. The JCHC board includes two Municipal councillors and two community residents, with the Municipal CAO acting as the JCHC CEO.

The Municipality engaged Colliers Project Leaders (Colliers) for strategic advice on how to deliver on the commitment to improve and expand the supply of affordable housing in Jasper, particularly as it relates to the purpose, scope, and governance of the JCHC.

1.1.1 Objective

The objectives of this JCHC governance review were to:

- Describe the current and future state (20 year) housing requirements;
- Develop a high-level roadmap to get there;
- Identify, define, and evaluate delivery model options for the near term;
- Recommend an operational and governance structure of the JCHC / housing vehicle.

1.2 Methodology

Colliers developed the following methodology to determine the current housing gap and recommend a suitable governance structure for the JCHC:



Project Initiation and Document Review

The following documents were reviewed:

- 2017 Apartment Vacancy and Rental Cost Survey
- Fee for Service Assessment for ADUs – 896 A and B Bonhomme Street Jasper
- Jasper Community Sustainability Plan
- JCHC 2022 Strategic Plan
- Planning and Design for Staff and Seniors' Housing (Parioplan)
- Housing Need and Demand Assessment
- Regulations Respecting the Use of Land in the Town of Jasper
- Waitlist for Mountain Parks Co-ops – Updated January 2022
- Banff C2000 Employee Housing Administration
- Parks Canada Lease Schedule A
- Caribou Creek Housing Corporation – Bylaws of Condominium

Stakeholder Interviews, Define Pipeline

Stakeholder consultation with the following individuals helped inform the current state and estimating the size of supply, demand, and in turn, the housing gap:

- Bill Given, Municipality of Jasper CAO, JCHC CEO
- Leanne Pelletier, Municipality of Jasper Administrative Officer
- John Gamblin, President of MPL Cooperative
- Joe Polisuk, Southview Co-op
- Jasper Employment and Education Center (JEEC)

Two methods for estimating the size of the housing gap were used;

1) **Population & Dwelling Metrics**

Used current & future population projections as compared to current estimated housing gap, and extrapolated into future to match future population;

2) **Job Vacancies**

Used information collected through documentation review, stakeholder consultations, and statistics provided by local institutions to estimate seasonal populations and short-term housing demand.

Housing Delivery Model and Recommendations

Four (4) delivery models were explored:

- Public Model;
- Public-Private (and vice versa) Occupancy Guarantee Model;
- Affordable/social housing Real Estate Investment Trusts (REITs).

Using the Connaught project costing information, a high-level financial model for the public-private guarantee spectrum was developed to support market engagement and inform financial boundaries for early private sector negotiations. This indicative excel model was issued under separate cover.

Following the definition and assessment of the models, recommendations were made and a high-level roadmap to implementation was presented for consideration.

2.0 Current State Assessment

Jasper is home to over 4,700 residents and has a healthy tourism industry with over 2 million visitors passing through the park annually¹. As the Municipality is in Jasper National Park, there are several land use and development considerations unique to the Municipality. Parks Canada is the governing body (Authority Having Jurisdiction) in the area for residency requirements, land use, business licenses and construction permits within the municipal boundaries. Both the Municipality and Parks Canada can issue business licenses depending on the nature of the business².

2.1 Current State

2.1.1 Residents of Jasper

To become a resident of Jasper, there is a set eligibility criteria defined by the *National Parks Lease and License of Occupation Regulations* which define an eligible resident as someone who meets one of the following:

1. Someone whose primary employment is within the park;
2. Someone who operates a business in the park AND whose presence is needed for the day-to-day operations of that business;
3. A retired individual who for five consecutive years immediately prior to retirement:
 - a. was primarily employed within the park: OR
 - b. operated a business in the park AND whose presence was needed for the day-to-day operations of that business;
4. Somebody who lived in the park at the time of their retirement, AND who was living in the park on July 30, 1981;
5. Someone who attends school full time at a registered educational institution in the park;
6. An individual, or their descendants through blood or adoption, who leased public lands in Jasper prior to May 19, 1911;
7. The spouse of anybody referred to above³.

As the Municipality's economy depends heavily on tourism, Jasper's population fluctuates with two main seasons:

- Summer season, from May to October; and
- Winter season, from December to late April.

The summer season sees a healthy job market to support the influx of tourism, with the winter season having a lower, but steady job market. The summer season peak requires an additional 2,000 workers over the winter average, to meet the demand of the tourism industry. The community struggles to meet

¹ Parks Canada, Jasper National Park 2020 Annual Report, Accessed March 11, 2022 At: <https://www.pc.gc.ca/en/pn-np/ab/jasper/info/plan/rapports-reports/2020>

² Parks Canada, Jasper National Park Business Licenses, Accessed March 31, 2022 At: <https://www.pc.gc.ca/en/pn-np/ab/jasper/info/permis-permits/license>

³ Parks Canada Jasper National Park Eligible Residency, Accessed March 9, 2022 At: <https://www.pc.gc.ca/en/pn-np/ab/jasper/info/serviceimmobilier-realty/plan5c>

this summer labour requirement and sees consistently high job vacancies rates upwards of 60% in the summer⁴. According to the Housing Needs and Demand Assessment⁴, employers cite inadequate housing for staff due to either lack of supply, affordability and/or suitability of the housing, as one of the main contributors to this vacancy rate.

The Jasper Employment and Education Centre (JEEC) will be conducting a labour market study in late 2022 which aims to provide more accurate statistics around current job supply, demand and position vacancy rates.

The following table provides a high-level overview of Jasper's age demographics from the 2016 census and forecasts the population to the current year (2022) based on historical population trends. The 2021 Census⁵ revealed a total population of 4,738 equivalent to a 3.2% increase over the last five (5) years.

Table 1: Statistics Canada 2016 Census Age Distribution⁶

Age Group (Years)	Count (2016)
0-14	570
15-29	1,150
30-44	1,105
45-64	1,305
65+	460
Total	4,590

Private Home Accommodations (PHAs) are often created within residences to secure supplementary income from rentals, a necessity for some to offset high housing costs. PHAs are either short or long-term units for rent within a home, subject to inspection by Parks Canada and licensed by the Municipality. Currently there are 152 PHA business license holders in Jasper totalling 247 bedrooms for rent.

As Jasper's population has been consistently aging in recent decades, the nature of the housing stock has evolved to be more permanent housing, including homes for young families and seniors.

2.2 JCHC

In September of 2007, the JCHC was established as a wholly owned not-for-profit corporation of the Municipality with the purpose of responding to housing affordability and supply challenges. Following its founding, the JCHC provided an administrative role in the development of Mountain Park Lodges (MPL) Place, a 42-bed affordable housing development for low-income earners owned by Jas-Day Investments. The JCHC continues to support MPL Place by conducting preliminary vetting of applications and maintaining a list of eligible tenants.

⁴ Alberta Rural Development Network (ARDN), *Housing Need and Demand Assessment* (Report No. SHI-2018-007).

⁵ Statistics Canada Census Profile 2021 Census Accessed March 11, 202 At: <https://www12.statcan.gc.ca/census-recensement/2021/dp-pd/prof/details/page.cfm?Lang=E&SearchText=Jasper&DGUIDlist=2021A00054815033&GENDERlist=1&STATISTIClist=1&HEADERlist=0>

⁶ Statistics Canada Census Profile 2016 Census, Accessed March 8, 2022 At: <https://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/details/page.cfm?Lang=E&Geo1=CSD&Code1=4815033&Geo2=PR&Code2=48&SearchText=Jasper&SearchType=Begin&SearchPR=01&B1=All&GeoLevel=PR&GeoCode=4815033&TABID=1&type=0>

MPL Place was built around 2009 and the development agreement with the Municipality included a twenty-year (20) commitment to affordability, which leaves approximately 7 more years of this affordable supply before the affordable housing supply gap will further widen.

The JCHC has acted as a housing development facilitator operating in a supportive capacity rather than as a developer. In 2018 the JCHC commissioned a Housing Need and Demand Assessment, and the Parioplan Final Report, which identified three (3) potential staff and seniors housing projects that could ease the persistent housing shortage. One of these projects is ready for development following minor additions to the design elements, and the other two (2) projects require assessment of financial and technical feasibility.

2.2.1 JCHC Governance & 2022 Strategic Objectives

The JCHC's board includes two Municipal councillors and two community residents along with the Municipal CAO acting as the JCHC CEO. Currently the only paid employee of the JCHC is a Municipal staff member who operates on a 0.3 part-time basis. Board meetings amongst the members are held every two (2) months throughout the year. The JCHC has an average annual operating budget of approximately \$20k. In 2022 the budget was increased to \$72k to include contracted services to strategically address housing issues and the role of JCHC.

The JCHC recently defined its strategic objectives for 2022, focused on three (3) main areas:

- Improving Internal Operations;
- Advancing Property Development; and
- Planning for the Future.

3.0 Housing Assessment

The following sections further define the current housing supply within Jasper Specialized Municipality, the categories of housing demand, and an estimated current and future housing gap.

3.1 Housing Supply

An estimate of current housing supply was generated based on the 2021 Jasper Municipal Tax Roll

Table 2: Jasper Municipal Tax Roll

Dwelling Type (Source: 2021 Tax Roll)	Unit Count (Estimate)
Single Dwelling Homes	688
Duplex	98
Row homes	338
4 Plex	8
Condo	20
Apartment building units	467
5 Plex	10
Institutional (seniors/assisted living)	43
Apartments above commercial business	87
Nurse/fire personnel assigned housing	13
Hotel Staff Accommodation	210
Total	1,982

3.2 Housing Demand

3.2.1 Jasper Population Demographics

The following table forecasts the 2042 population of Jasper based on the 2016 and 2021 Census average population increase of 0.68% annually^{Error! Bookmark not defined.}. As the 2021 Census has not yet published an age distribution of the population, the following table assumes the same distribution as seen in 2016.

Table 3: Statistics Canada 2016 Census Age Distribution^{Error! Bookmark not defined.} and Forecasted Populations

Age Group (Years)	Count (2016)	Count (2021)	Forecast (2042)
0-14	570	588	678
15-29	1,150	1,187	1,369
30-44	1,105	1,141	1,316
45-64	1,305	1,347	1,553
65+	460	475	548
Total	4,590	4,738	5,464

With a 2016 Census average household size of 2.3 people, the following housing requirements can be extrapolated to recorded and forecasted populations:

Table 4: Statistics Canada 2016 Census Population⁷ and Estimated Dwelling Requirements

Year	Population	Estimated Dwelling Requirements
2016	4,590	1,996
2021	4,738	2,060
2042	5,464	2,376

The demand for housing can be grouped into three (3) types based on the duration of residency in Jasper:

- Seasonal demand; primarily rental for short-term, seasonal workers (<1 Year);
- Medium-term demand; rentals and ownership options (1-5 Years); and
- Long-term demand; primarily ownership options (5+ Years).

It is expected there is a regular proportion of workforce that converts from seasonal employment to full year employment, however that conversion rate is unknown. The following table presents an approach to estimate the number of seasonal-, medium- and long-term residents based on the current population estimate and duration of residency.

Table 5: 2016 Short-, Medium- and Long-Term Population Calculations⁷

Population	Count
Total population of Jasper (A)	4,590
Individuals who have lived in Jasper for the last 1 year (B)	3,110
Individuals who have lived in Jasper for the last 5+ years (C)	1,855
Seasonal Population (D) = (A) - (B)	1,480
Medium Term Population (E) = (B) - (C)	1,255
Long Term Population (F) = (C)	1,855

The following table shows the projected size of seasonal, medium, and long-term populations based on Table 4 census total population projection and assuming a consistent distribution.

Table 6: Seasonal- Medium- and Long-Term Population Calculations⁷

⁷ Statistics Canada Census Profile 2016 Census, Accessed March 8, 2022 At: <https://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/details/page.cfm?Lang=E&Geo1=CSD&Code1=4815033&Geo2=PR&Code2=48&SearchText=Jasper&SearchType=Begin&SearchPR=01&B1=All&GeoLevel=PR&GeoCode=4815033&TABID=1&type=0>

Population	Count (2016)	Assumed (2021)	Forecast (2042)
Seasonal Population	1,480	1,528	1,762
Medium Term Population	1,255	1,285	1,394
Long Term Population	1,855	1,915	2,208
Total	4,590	4,738	5,464

This estimated population distribution should be validated through both the updated census results and the JEEC labour market study.

3.2.2 Affordability

Jasper's housing challenges stem from not only from a shortage of housing supply, but also housing affordability. It is evident that residents find themselves having to either find supplementary income through PHAs or work multiple jobs to afford housing in Jasper. Of the 1,575 dwellings recorded in 2016, approximately 285 (18%) were occupied by residents paying more than 30% of their income on shelter costs⁸. Housing is considered affordable when it is less than 30% of before-tax household income⁹.

3.2.3 Seasonal Population

Jasper's seasonal businesses see job vacancy rates upwards of 60% due primarily to housing. To quantify the housing gap for the seasonal population, we assume:

- Each seasonal position is equal to one person/resident.
- Currently housed seasonal staff is represented by the seasonal population in Table 6 above (i.e., 1,528 seasonal workers with housing for 2022).
- Seasonal worker housing demand is the sum of the currently housed seasonal staff (1,528) plus the housing required to accommodate the individuals that would fill the 60% job vacancies (2,292). Current total seasonal population is therefore 1,528 + 2,292 = 3,820.
- An average of 2.3 people per unit⁸. There is therefore a current seasonal demand of 1,661.

Applying the same methodology to the forecasted seasonal population of 2042, there will be a demand of 1,915 units.

The following table defines the calculations to determine the total seasonal population, the seasonal population housing supply and demand, and the gap.

Table 7: Estimated Affordable Housing Requirements for Seasonal Population

Ref #	Metric	Equation
1	Seasonal Population	$\frac{(\text{Seasonal Population with Housing})}{(\text{Job Fulfillment Rate})}$

⁸ Statistics Canada Census Profile 2016 Census, Accessed March 8, 2022 At: <https://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/details/page.cfm?Lang=E&Geo1=CSD&Code1=4815033&Geo2=PR&Code2=48&SearchText=Jasper&SearchType=Begins&SearchPR=01&B1=All&GeoLevel=PR&GeoCode=4815033&TABID=1&type=0>

⁹ Canada Mortgage and Housing Corporation, About Affordable Housing, Accessed April 1, 2022 At: <https://www.cmhc-schl.gc.ca/en/professionals/industry-innovation-and-leadership/industry-expertise/affordable-housing/about-affordable-housing/affordable-housing-in-canada>

2	Seasonal Population Housing Supply	$\frac{\text{(Seasonal Population with Housing)}}{\text{(Average Census Household Size)}}$
3	Seasonal Population Housing Demand	$\frac{\text{(Total Seasonal Population)}}{\text{(Average Census Household Size)}}$
4	Seasonal Population Housing Gap	(Seasonal Population Housing Supply) – (Seasonal Population Housing Demand)

Recognizing that seasonal workers may be more inclined to share dwellings that accommodate higher-than-average household density, three (3) scenarios for household sizes were considered:

Table 8: Estimated Housing Requirements for the Total Seasonal Population Summary

Average Household Size	Gap Calculation (2021)	Gap Calculation (2042)
2.3	996	1,250
3	609	804
5	99	216

See *Appendix 1 Seasonal Population Calculations* for details on the calculations presented above.

3.3 Housing Gap Analysis

Seasonal fluctuations and annual increase in population applies significant pressure on the existing supply of housing, which is constrained by existing land use restrictions. Table 9 presents a high-level estimate of the gap in supply of housing for the year-round population based on 2016 and 2021 Census data and forecasted populations for 2042. This is based on an average household size of 2.3 people.

Table 9: Estimated Dwelling Requirements for Year-Round Population

Year	Population	Estimated Dwelling Requirement	Dwellings Available	Gap*
2016	4,590	1,996	1,575	421
2021	4,738	2,060	1,910	150
2042	5,464	2,376	2,054	322

*The gap for 2042 is calculated based on the 2021 dwelling count of 1,910, with an additional 144 units that Parks Canada confirmed are planned for redevelopment within the next five (5) years.

3.3.1 Types of Housing - Families, Seniors, Affordable

With an aging population, increasing presence of families, and ownership wait lists for the three (3) cooperatives totalling approximately 150 units (mainly for 2–4 bedroom units), it can be assumed that the majority of the 2021 year-round population housing gap (i.e., 150 units) is for multiple bedrooms units (for families or shared seasonal).

With 18% (285 out of 1,575) of the available dwellings in 2016 deemed unaffordable¹⁰ and job vacancies being extremely high due in large part to poor supply of affordable housing, it is assumed that more than 18% of the estimated housing gap would need to be affordable housing.

Table 10: Estimated Affordable Housing Requirements

Year	Estimated Dwelling Requirement	Estimated Year-Round Population Housing Gap	Estimated Year-Round Population Affordable Housing Requirement*
2016	1,996	421	285
2021	2,060	150	371
2042	2,376	322	428

*Assumes minimum 18% of the estimated dwelling requirement is to be affordable

The total affordable housing requirement for 2021 is larger than the estimated housing gap. Recognizing that the demand for seasonal workers would more than likely need to be affordable, the following table summarizes the total need (seasonal plus year-round) for **affordable housing in Jasper**.

The table below summarizes the combined year-round and seasonal housing gaps:

Table 11: Estimated Total Housing Gap for Both Year-Round and Seasonal Populations

	2021	2042
Year-Round Population Housing Gap	150	322
Seasonal Population Housing Gap (2.3)*	996	1,250
Seasonal Population Housing Gap (3)*	609	804
Seasonal Population Housing Gap (5)*	99	216
Total Housing Gap (2.3)	1,146	1,572
Total Housing Gap (3)	759	1,126
Total Housing Gap (5)	249	538

*The numbers in brackets represent the average household size for the seasonal population.

See *Appendix 1 Seasonal Population Calculations* for details on the seasonal population housing gap calculations presented above.

Table 12: Total Estimated Affordable Housing Requirements

Year	Estimated Year-Round Population Affordable Housing Requirement	Estimated Seasonal Affordable Housing Requirements*	Total
2021	371	99	470
2042	428	216	540

*Assumes seasonal population average household size of five (5).

¹⁰ Statistics Canada Census Profile 2016 Census, Accessed March 8, 2022 At: <https://www12.statcan.gc.ca/census-recensement/2016/dp-profil/details/page.cfm?Lang=E&Geo1=CSD&Code1=4815033&Geo2=PR&Code2=48&SearchText=Jasper&SearchType=Begin&SearchPR=01&B1=All&GeoLevel=PR&GeoCode=4815033&TABID=1&type=0>

Development planning work for the Connaught housing project would suggest that a below-market lease rate could be secured with Parks Canada on the premise of affordable housing development, an important factor when considering potential delivery model options and capital costs.

3.4 Housing Pipeline

The Jasper Community Sustainability Plan completed in September of 2011 identified a significant number of sites for infill, development or redevelopment that could act as a solution to the current housing gap. The following table presents the site type and potential housing units identified in the sustainability plan:

Table 13: Jasper Community Sustainability Plan Summary of Potential Unit Development

Development Site	Potential Housing Yield (Net New Units)
Development of Unreleased Lands	250-432
Infill Opportunities	42-53
Redevelopment	254-284
Total	546-769

More details relating the details of the site locations are available within the Jasper Community Sustainability Plan.

Progress has been made with the recent completion of the Connaught Utility Project providing infrastructure for future housing developments, and the Municipality remains committed to addressing Jasper's housing supply and suitability challenges. The Parioplan Final Report, suggesting three (3) potential staff and seniors housing projects that could mitigate part of the persistent housing shortage:

Table 14: Parioplan Development Site Potential

Development Site	Potential Unit Yield	Notes
Connaught*	81	RHI application for development denied. Will need to revisit strategy to raise capital for development.
Bear Hill	60	Limitations of development potential yield due to constraints on maximum site coverage and building height limitations.
RCMP	56	Contingent on RCMP relocation and would require rezoning of the site.
Total	197	Unconfirmed whether these sites are included in table 13 above due to site naming convention.

*Connaught site presented in Table 14 is included in the "Development of Unreleased Lands" line item in Table 13.

With a total forecasted household gap of 540-1,572 units in 2042, the development of all sites presented in the sustainability plan would effectively close the projected housing gap assuming a higher density per unit for the seasonal population.

3.4.1 Planned Developments

Parks Canada confirmed that there are currently 144 additional units planned for redevelopment within the next five (5) years:

- Parcel CV-2: located on the south side of Patricia street, there are 18 townhomes that plan to convert to 42 condominium units; and
- Parcel CU-1: located on the north side of Patricia street, there are a total of seven (7) apartment buildings equal to an additional 102 rental apartment units.

It is unconfirmed if these 144 units are included within the *Redevelopment* line item in Table 13 above.

4.0 Addressing Housing Needs

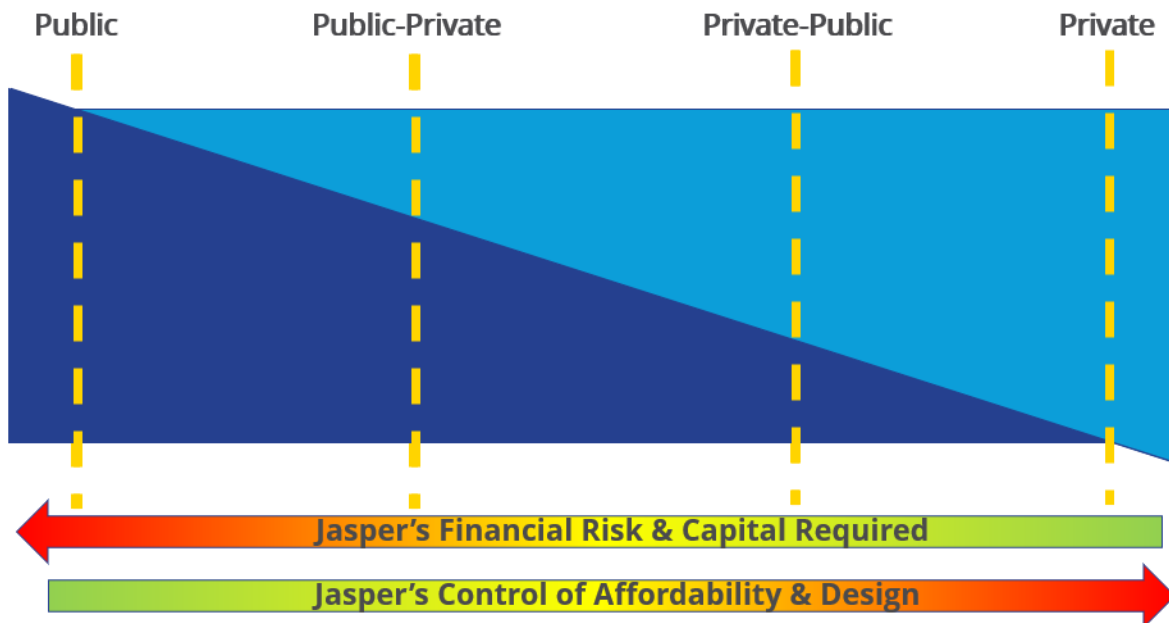
It is evident that without more influence and/or involvement from a local entity with a mandate to address the persistent housing demand in Jasper, the housing gap will continue to limit both current and prospective residents of Jasper and the welfare of local business owners. The Municipality must determine the nature and scope of role it wishes to play- either directly, or through the JCHC or some other vehicle- to address the current housing demand and plan for housing sustainability as populations increase.

Given the 'ceiling' that exists on potential growth in Jasper (due to land use and residency constraints under Parks Canada control), the housing gap is not likely to grow beyond what is estimated in this report. Careful consideration should be given to highest and best use of Municipal resources in addressing the housing shortage. Evolving the JCHC into a housing development corporation, for example, would require a significant investment to address a relatively small housing gap.

4.1 Delivery Models & JCHC Governance

With the size and nature of the housing challenge better defined, the Municipality can explore the delivery model options available to respond to the housing challenge, and correspondingly define the role the Municipality wishes play. These two factors will shape the most effective role for the JCHC and how it should be governed.

The illustration below shows the spectrum of delivery models from public to private, with occupancy guarantees (public guarantee or private guarantee) in the middle:



Red and green colours in the arrow in the above diagram indicate high and low risks, respectively.

4.1.1 Public Model

The public model would see the Municipality, through the JCHC, fund and develop housing, with the possibility of acting as operator (or operating contract holder). Capital costs would be entirely born by the Municipality secured through debentures.

Scope of JCHC Role

This model introduces significant additional responsibilities for JCHC including, but not limited to:

- Secure the required capital¹¹;
- Land identification and development process management with Parks Canada;
- Develop contracting processes and procedures;
- Own existing and future public housing assets in the Municipality of Jasper (i.e., transfer ownership of municipal house assets to JCHC).
- Project scoping, planning and develop Requests for Proposals (RFP) for design and delivery;
- Administer the design and construction procurement process through to contract award;
- Project management, performance management and project closure;
- Develop and implement operational policies around rental rates; and
- Property operations and administration, including facility management (or operations contract holder).

Financial & Risk Considerations

This model requires that the JCHC source its own capital. If required as part of the financing strategy, the Municipality could transfer ownership of its two (2) staff housing assets to the JCHC as collateral. Legal consultation is required to determine whether JCHC can secure debentures. This could be offset by securing grants or capital contributions by other parties.

The lifetime financial viability of this option (i.e. covering debt servicing and maintenance costs) will depend on the desired housing affordability thresholds (revenue potential), and Municipal appetite to subsidize/fund affordable housing (e.g. how it will source funds- tax base impacts etc.).

A transfer of assets from the Municipality to the JCHC will need to address the land lease terms with Parks Canada, as the land lease is currently between Parks Canada and the Municipality, not JCHC.

This model allows full control over design and affordability, however there is no guarantee of occupancy in the housing development so all financial risk lies with Jasper.

4.1.2 Public Investment with Private Sector Occupancy Guarantee

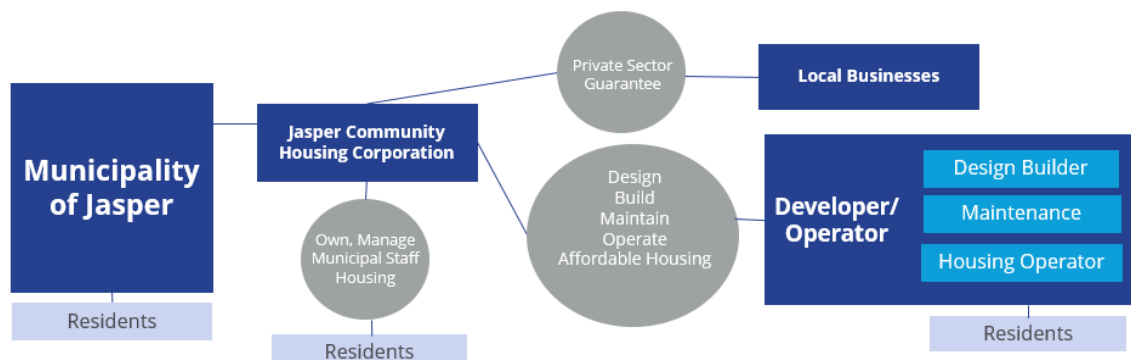
Jasper funds and develops housing, private sector partner(s) guarantee occupancy.

¹¹ JCHC could secure capital either through Jasper's debt (debenture) issuance or seeking financing from sources like Federal government's National Housing Strategy initiative or Housing Investment Corporation's financing solution called HI-C. NHS and HI-C sources may fund only up to 80% of the costs.

In this model, private sector assures occupancy through a long-term contract with Jasper, mitigating vacancy risk. Private participation is anticipated to be from businesses that are directly impacted by the current limited housing supply.

Scope of JCHC role

As under a public model, with the addition of holding an occupancy guarantee contract with private businesses.



Financial & Risk Considerations

This model reduces Jasper's financial risk as compared to a fully public model owing to the occupancy guarantee provided by the private sector. If Jasper's capital is secured through debentures there is no interest rate risk for the Municipality. The scope of the financial risk to Jasper is determined by the negotiated rental rate (i.e. a higher rate reduces risk to Jasper but increases cost/risk to private sector).

This model technically allows full control over design and affordability, although a private sector guarantee may affect design requirements and/or rental rates.

Note: Jasper requested an investigation into a shared ownership model. There appear to be no options for using a non-profit housing authority as the vehicle for shared public-private ownership. Instead, ownership transfers at predetermined stages of the development process (often at substantial completion/occupancy) from a for-profit entity to a non-profit entity. Canadian non-profits may only issue membership, not shares. While membership dues can be charged, membership cannot be sold, i.e., membership cannot serve as a form of equity or share (Canadian Income Tax Act- Not-for-Profit Organizations¹²).

4.1.3 Private Investment with Public Sector Occupancy Guarantee

Private sector funds and develops housing, Jasper guarantee occupancy.

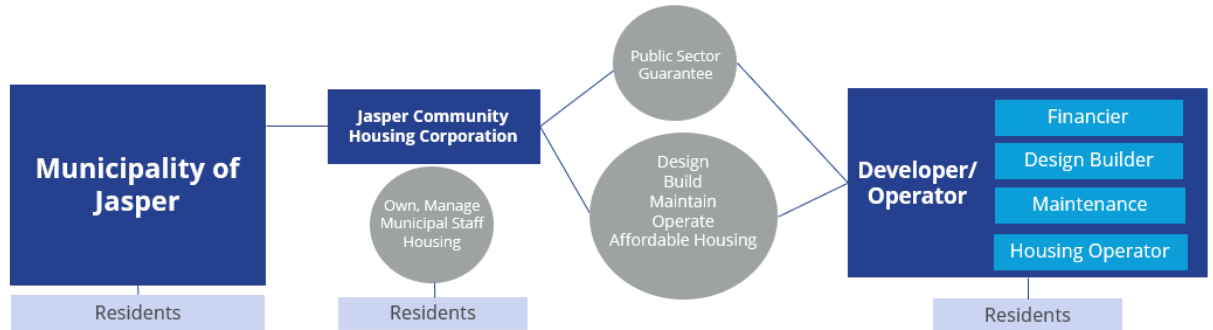
This model requires no upfront capital from Jasper. In this model, Jasper mitigates private sector's occupancy risk through long-term contract ensuring a minimum rent, as mutually agreed upon. Private

¹² <https://www.cof.org/content/nonprofit-law-canada>

investment and development leadership is assumed to be from businesses impacted by current limited housing supply.

Scope of JCHC role

JCHC provides occupancy guarantee to the private sector developer through a long-term contract.



Financial & Risk Considerations

This model reduces Jasper's development risk however Jasper carries the financial risk of an occupancy guarantee, with few means to manage this risk. The scope of the financial risk to Jasper is determined by the negotiated rental rate (i.e., a lower rate reduces risk to Jasper but increases cost/risk to private sector).

Legal consultation is recommended to verify if there are legal merits of JCHC holding the guarantee contracts vs. Jasper directly.

It may be difficult to secure a private sector partner. This model would leave Jasper with limited control over design and affordability.

4.1.4 Private Model

Private developer funds, delivers and operates housing. Land is released to a developer with a lease covenant to protect housing affordability for a fixed term.

This model requires no upfront capital from Jasper, however it would be very difficult to secure private sector interest without incentives (e.g., facilitating land lease, occupancy guarantees).

Scope of JCHC Role

If the housing development were to be executed solely under the purview of a private developer, there would not necessarily be a need for the JCHC to exist and therefore they could dissolve. Alternatively, the function of the JCHC could be to act in their current capacity as a development facilitator and influence developments within municipal boundaries to achieve desired rental and ownership terms.

Financial & Risk Considerations

Despite having no financial or development risk for Jasper, this model offers no control over design or affordability (short and/or long term). Further, it has low probability of success overall given that it entirely depends on private sector investment and leadership.

4.1.5 Social/Affordable Housing Real Estate Investment Trust (REITs)

Social or affordable housing Real Estate Investment Trust (REIT) is a tax efficient mechanism for investment in social or affordable housing properties. REITs can either be a publicly listed trust that allows investors to purchase units of income-producing real estate assets, or they can be privately held for members of the trust. The former allows to raise capital from the capital markets. REITs allow for risk adjusted investment in real estate, however this structure may not be conducive for funding development projects, as development phase is the riskiest in an asset's lifecycle. The REIT could enter into an agreement with a developer to build and transfer a stabilized asset at a predetermined price.

Financial & Risk Considerations

REITs typically generate returns for their investors by driving cost efficiencies through professional management, by making property improvements which generate higher rents and by property sales in high growth markets. These methods make REITs successful in the private market but may make them ill-suited for affordable housing purposes because affordable housing will generate a lower return for investors. This has been an untested assumption until recently as organizations in the US, Canada and the UK have been exploring different REIT models for investment in affordable housing¹³.

REITs in a Canadian Context

Canadian residential REITs have been in wide use in the real estate sector since the early 1990's. They predominantly invest and hold properties in large multi-story rental buildings in multiple cities. Currently, social housing REITs are almost non-existent in Canada though there has been speculation that a REIT would be established for Toronto Community Housing Corporation (TCHC) to bring needed capital into the system. In late 2013, the City of Toronto released its market sounding report on this topic. While the report notes that there are potentially viable opportunities to explore setting up a REIT, significant a due diligence and analysis is still required¹³.

Given the relatively small volume of affordable housing development required in Jasper, a REIT is likely an overly complex and administratively burdensome delivery model and therefore not detailed further here.

4.2 Delivery Model Summary

Table 15 summarizes the performance of each option against the three main criteria discussed above:

- Public capital required
- Development risk to JCHC (financial and operational)
- Risk to affordability (ability to achieve long-term affordable outcomes)

Table 15 & 16: Housing Development Model Assessment

¹³ Alternative Sources of Capital for the Social/Affordable Housing Sector in Canada, August 2014, Housing Services Corporation, BC Housing

Model	Public Capital Required	Development Risk to JCHC	Risk to Affordability*	Debt Service Risk*
Public	High	High	Low	High
Public - Private Guarantee	High	High	Low	Moderate
Private - Public Guarantee	Low	Low	Moderate	Low
Private	Low	Low	High	Low

*The risk to affordability and debt service risk will ultimately be determined by the rental rate associated with an occupancy guarantee

The following offers a series of key questions for the JCHC Board and Municipal council to review and consider in assessing and discussing the merits of each model.

	Public Capital Required	Development Risk to JCHC	Risk to Affordability	Debt Service Risk
1. Public	Does Jasper have access to significant capital?	Is JCHC willing to take on significant development risk?	Is Jasper willing to raise capital and take on development risk to ensure affordability?	Is Jasper willing to take on risk of occupancy and meeting debt service payments?
2. Public – Private Guarantee	Does Jasper have access to significant capital?	Is JCHC willing to take on significant development risk?	Is Jasper willing to raise capital and take on development risk to ensure affordability?	Is Jasper willing to enter into long term occupancy agreement to transfer occupancy and debt service risk?
3. Private – Public Guarantee	Is Jasper willing to risk no additional housing if no private sector interest?	Is Jasper willing to relinquish control over design?	Is Jasper willing to relinquish some control over rental rate affordability?	Is Jasper willing to enter in long term occupancy agreement to assume occupancy risk (that would otherwise be with private sector)?
4. Private	Is Jasper willing to risk no additional housing if no private sector interest?	Is Jasper willing to relinquish control over design?	Is Jasper seeking to have more housing, regardless of its affordability over the long term?	With limited private interest, is Jasper willing to risk there being no additional housing development?

In considering the four options above, we observe:

- Best place for capital to come from is public sector (no interest rate risk, low debt service cost)
- Best place for holding development risk is private sector (domain of expertise)

- Best place for holding occupancy risk is private sector (ability to affect occupancy drivers)

Option 2, Public-private guarantee is therefore most sensible whereby:

- public sector entity raises capital,
- public sector entity develops housing units using private developer's expertise for a fee (transferring risk), given relatively foreseeable gap (min 33 units, max 177 units)
- private provides occupancy guarantee

5.0 Conclusions & Next Steps

5.1 Housing Future State

The gap analysis suggests a **current demand of an additional 177 units** (assuming 5-person occupancy for seasonal residents). If no actions are taken to address the gap over the next twenty years, the gap could further increase to 404 units by 2042. If 144 units are delivered through redevelopments approved by Parks Canada in the next five years, **this near-term gap reduces to 33 units** (177-144 = 33).

As Jasper grows, and assuming the near-term gap is addressed, **forecasts suggest a need for an additional 227 units** (404-177).

It is assumed that the most of this gap is for affordable housing.

5.2 Delivery Model & JCHC Governance

The public-private guarantee delivery models offer the most balanced risk-to-benefit profiles. We observe:

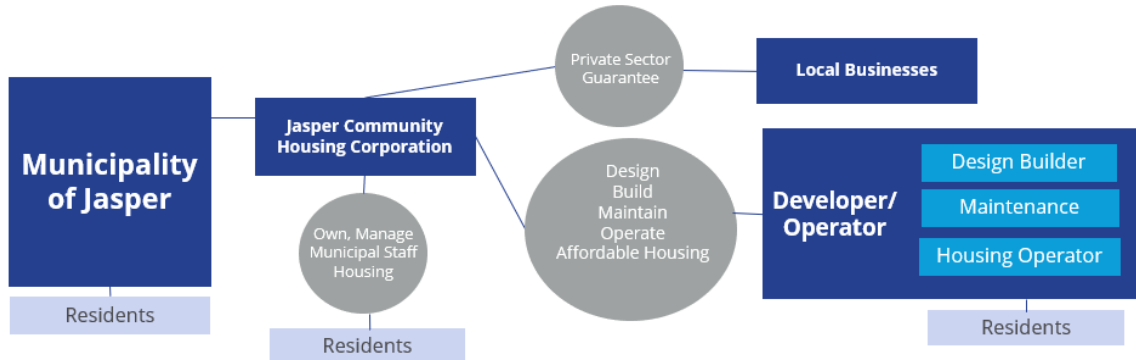
- Best place for capital to come from is public sector (no interest rate risk, low debt service cost)
- Best place for holding development risk is private sector (domain of expertise)
- Best place for holding occupancy risk is private sector (ability to affect occupancy drivers)

Therefore, Option 2, Public-private guarantee is likely most sensible for Jasper whereby:

- public sector entity raises capital,
- public sector entity develops using private developer's expertise for a fee (transferring risk), given relatively small near-term gap (min 33 units, max 177 units)

Under this model, the JCHC would be responsible for:

- Secure the required capital;
- Land identification and development process management with Parks Canada;
- Develop contracting processes and procedures;
- Own existing and future public housing assets in the Municipality of Jasper (i.e., transfer ownership of municipal house assets to JCHC).
- Project scoping, planning and develop Requests for Proposals (RFP) for design and delivery;
- Administer the design and construction procurement process through to contract award;
- Project management, performance management and project closure;
- Develop and implement operational policies around rental rates; and
- Property operations and administration, including facility management (or operations contract holder).



5.3 Next Steps

We recommend review and discussion of these findings with key stakeholders (JCHC, Council), including the Key Questions noted in Table 16 above and using the financial model to better understand and adjust likely development financing terms and drivers.

1. Following this discussion, we recommend the JCHC and Council:
2. Identify preferred delivery model (public or private led, with guarantee)
3. Continue to pursue external funding e.g. CMHC, private funding, etc.
4. Continue to work with Parks Canada to release land
5. Conduct a market sounding (4-6 weeks) to assess interest in preferred model (e.g. terms of occupancy-guarantee) and key success criteria
6. Explore JCHC capacity to assume debt independent from Jasper

Appendix 1 SEASONAL POPULATION CALCULATIONS

A1.1.1. ESTIMATED HOUSING REQUIREMENTS CALCULATIONS

Table A1: Estimated Affordable Housing Requirements

Ref #	Output	Equation
1	Total Seasonal Population	$\frac{(\text{Seasonal Population with Housing})}{(\text{Job Fulfillment Rate})}$
2	Total Seasonal Population Supply	$\frac{(\text{Seasonal Population with Housing})}{(\text{Average Census Household Size})}$
3	Total Seasonal Population Housing Demand	$\frac{(\text{Total Seasonal Population})}{(\text{Average Census Household Size})}$
4	Total Seasonal Population Housing Gap	(Total Seasonal Population Supply) – (Total Seasonal Population Housing Demand)

The following table defines the short-term housing gap with an average household population of 2.3 residents.

A1.1.2. AFFORDABLE HOUSING REQUIREMENTS ANALYSIS

Table A2: Estimated Affordable Housing Requirements with an Average 2.3 People Per Household

Ref #	Output	Calculation (2021)	Calculation (2042)
1	Total Seasonal Population	$\frac{1,528}{40\%} = 3,820$	$\frac{1,762}{40\%} = 4,405$
2	Total Seasonal Population Supply*	$\frac{1,528}{2.3} = 665$	$\frac{1,528}{2.3} = 665$
3	Total Seasonal Population Housing Demand	$\frac{3,820}{2.3} = 1,661$	$\frac{4,405}{2.3} = 1,915$
4	Total Seasonal Population Housing Gap	665 – 1,661 = (996)	665 – 1,915 = (1,250)

**Note: Calculation ref.2 is calculated using the 2021 population for 2042 as the assumption is that no housing has been built since 2021 and the additional 144 units from Parks Canada will contribute towards the medium and long-term populations.*

Recognizing that seasonal workers may be more inclined to share dwellings that accommodate higher-than-average household density, two (2) additional scenarios were considered:

- Average household size of three (3) people; and
- Average household size of five (5) people.

The following table defines the short-term housing gap with an average household population of 3 residents.

Table A3: Estimated Affordable Housing Requirements with and Average 3 People Per Household

Ref #	Output	Calculation (2021)	Calculation (2042)
1	Total Seasonal Population	$\frac{1,528}{40\%} = 3,820$	$\frac{1,762}{40\%} = 4,405$
2	Total Seasonal Population Supply	$\frac{1,528}{2.3} = 665$	$\frac{1,528}{2.3} = 665$
3	Total Seasonal Population Housing Demand	$\frac{3,820}{3} = 1,274$	$\frac{4,405}{3} = 1,469$
4	Total Seasonal Population Housing Gap	665 – 1,274 = (609)	665 – 1,469 = (804)

The following table defines the short-term housing gap with an average household population of 5 residents.

Table A4: Estimated Affordable Housing Requirements with and Average 5 People Per Household

Ref #	Output	Calculation (2021)	Calculation (2042)
1	Total Seasonal Population	$\frac{1,528}{40\%} = 3,820$	$\frac{1,762}{40\%} = 4,405$
2	Total Seasonal Population Supply	$\frac{1,528}{2.3} = 665$	$\frac{1,528}{2.3} = 665$
3	Total Seasonal Population Housing Demand	$\frac{3,820}{5} = 764$	$\frac{4,405}{5} = 881$
4	Total Seasonal Population Housing Gap	665 – 764 = (99)	665 – 881 = (216)

The following table summarizes the Tables 8,9 and 10.

Table A5: Estimated Affordable Housing Requirements for the Total Seasonal Population Summary

Average Household Size	Seasonal Gap Calculation (2021)	Seasonal Gap Calculation (2042)
2.3	996	1,250
3	609	804
5	99	216