

# Edmonton City Centre Church Corporation Grant Funding

## Elizabeth House

### Recommendation

That Executive Committee recommend to City Council:

1. That the Social Development Branch 2018 operating revenue and expenditure budgets be increased by \$600,000 on a one-time basis to fund the Edmonton City Centre Church Corporation permanent supportive housing project, with funding from the Housing Reserve.
2. That a funding agreement between the City of Edmonton and the Edmonton City Centre Church Corporation, in the amount of \$600,000 as outlined in Attachment 1 of the November 13, 2018, Citizen Services report CR\_6466, be approved, and that the agreement be in form and content acceptable to the City Manager.

### Executive Summary

The City of Edmonton has set aside \$600,000 in designated funding for the Edmonton City Centre Church Corporation to replace the 10 affordable housing units provided by the Gold Nugget Suite that were acquired and demolished by the City in 2016 as part of the land assembly for the Quarters. The funding will be used to renovate 20 existing units of transitional housing into 20 units of permanent supportive housing within the Elizabeth House building.

Edmonton City Centre Church Corporation and Alberta Health Services have collaborated to develop an integrated supportive housing model for Elizabeth House that focuses on providing support services to residents in a trauma-informed way, with resident safety, harm reduction and recovery-oriented practices in place. The renovated suites will include 24/7 tenancy management, on-site non-clinical staff support, and mobile clinical care.

Although Elizabeth House is located within the Alberta Avenue neighbourhood, one of the five neighbourhoods affected by the non-market housing investment moratorium, Administration has reviewed this proposal and believes it is consistent with the intent of the moratorium because the funding will be used to refurbish an existing facility that has been in operation since 2002 and is, therefore, not expected to have any additional impact on the neighbourhood.

## Report

Edmonton City Centre Church Corporation (commonly referred to as “e4c”) is a social services organization that has provided housing, emergency and support services for vulnerable people for over 45 years. These services include: 24/7 emergency shelters, supportive housing programs for youth and individuals with addiction and/or mental illnesses, transitional housing programs, affordable housing units and scatter-site housing support services.

In 2016, Administration acquired the building and land known as Gold Nugget Suites (10237 96 Street NW), which was owned by e4c. The purchase of the Gold Nugget Suites was part of a larger land assembly for Kinistinnâw Park as identified in The Quarters Downtown Urban Design Plan.

In 2016, Administration agreed to set aside \$600,000 of Cornerstones funding for up to three years to assist e4c in replacing the 10 affordable housing units that were previously provided by the Gold Nugget Suites. The \$600,000 was intended to offset the cost to replace the Gold Nugget Suites after the City purchased the building and land. This funding comes from the housing reserve.

### Elizabeth House Permanent Supportive Housing Project

From 2002 to 2016, e4c has operated a transitional housing program out of the Elizabeth House facility. e4c is planning to refurbish 20 time-limited transitional housing units that currently exist within Elizabeth House in order to provide 20 one-bedroom permanent supportive housing units for individuals with complex needs that are experiencing chronic homelessness. This transition is part of a larger effort by e4c to evaluate its existing services to align with the city’s broader efforts to end homelessness.

The proposed project will include 24/7 tenancy management, on-site non-clinical staff support, and mobile clinical care. Renovations are projected to be completed with residents moving into the units by the first quarter 2019.

### Non-Market Housing Pause

Elizabeth House is located within Alberta Avenue, one of the five neighbourhoods subject to the City Council-approved non-market housing investment moratorium that has been in effect since 2012. During the moratorium term, the City committed to not fund additional non-market housing projects in these five neighbourhoods. A follow-up report on the status and recommended next steps regarding the moratorium will be presented to City Council in the first quarter 2019.

The funding outlined in this report will be used to refurbish existing units that have been functioning as non-market housing and will have no net impact on the

neighbourhood. The project maintains the spirit of the pause and will allow the City to fulfill its existing commitment to the e4c.

#### Stakeholder and Community Consultation

In 2017, e4c met with the Alberta Avenue District Council to provide an update on Elizabeth House. e4c staff have since been active in attending monthly meetings with community stakeholders including the Edmonton Police Service, Alberta Avenue Revitalization, Arts on the Ave, and other key neighbourhood groups.

During the summer of 2018, e4c began good neighbour consultations, meeting with St. Faith's Anglican Church and The Nina Haggerty Centre for the Arts to develop an initial good neighbour agreement. Consultations have since been extended to the Alberta Avenue Community League and Arts on the Ave. e4c has also conducted neighbourly tours of Elizabeth House as part of the consultations with the goal of finalizing a collaborative Good Neighbours Agreement by November. To date, e4c has experienced an overall positive engagement with neighbours on the planned renovation of 20 Elizabeth House units.

Moving forward, e4c plans to consult with prospective residents of Elizabeth House to gather feedback about the staffing model, approach to housing and community inclusion. As the project advances, individuals who move into the program will have the opportunity to sit on an advisory council that will regularly provide feedback to inform the further development of the program.

#### **Budget/Financial Implications**

The project's estimated total capital cost is \$1,080,985. In addition to the City's contribution of \$600,000, e4c is contributing the remaining funds through a mix of equity and debt financing. The requested contribution of \$600,000 from the City of Edmonton would be funded by the City's Housing Reserve. Alberta Health Services has secured operational funding for this project. The balance of uncommitted funds in the Housing Reserve accounts is projected to be \$44.4 million at the end of 2018.

#### **Public Engagement**

Administration did not conduct public engagement related to this report because the City is a funding partner only. e4c, as lead of the project, has completed consultation with stakeholders and the community as outlined above.

#### **Corporate Outcomes and Performance Management**

Corporate Outcome(s): The City of Edmonton has sustainable and accessible infrastructure			
Outcome(s)	Measure(s)	Result(s)	Target(s)

Increased supply of affordable housing units in all areas of the city	Number of new affordable housing units supported	365	2,500 by the end of 2022
Increased supply of permanent supportive housing units	Number of permanents supportive housing units developed	2009-2016: 201	916 additional units by 2024

## Risk Assessment

Risk Element	Risk Description	Likelihood	Impact	Risk Score (with current mitigations)	Current Mitigations	Potential Future Mitigations
<b>If recommendation is approved</b>						
Public Perception	Local residents or businesses may oppose the project	3 - Possible	3 - Major	9 - Medium	e4c has engaged with immediate neighbours and community groups.	Good Neighbour Agreement
<b>If recommendation is not approved</b>						
Public Perception	Commitment was previously made in good faith and would negatively impact stakeholder relations	3 - Possible	2 - Moderate	6 - Low	Administration continues to work with the Corporation to actively maintain relationship	
Financial	Project and construction schedule could suffer. e4c may lose opportunity to access the funding within the committed time frame	3 - Possible	2 - Moderate	6 - Low	e4c could seek funding from another source	Administration could extend the commitment's time frame

## Attachments

1. Funding Agreement Terms and Conditions
2. Funding Commitment Letter
3. Elizabeth House Exterior Photo
4. Glossary of Housing Terms

## Others Reviewing this Report

- C. Owen, Deputy City Manager, Communications and Engagement

- P. Ross, Acting Deputy City Manager, Urban Form and Corporate Strategic Development
- T. Burge, Chief Financial Officer and Deputy City Manager, Financial and Corporate Services