

2021 Affordable Housing Sites

Sale of Land Below Market Value and Grant Funding

Recommendation

1. That the sale of land in Garneau, at below market value, as outlined in Attachment 1 of the August 23, 2021, Financial and Corporate Services report FCS00680, be approved, and that the agreement be in form and content acceptable to the City Manager.
2. That the grant funding affordable housing agreement for Garneau, as outlined in Attachment 2 of the August 23, 2021, Financial and Corporate Services report FCS00680, be approved, and that the agreement be in form and content acceptable to the City Manager.
3. That the sale of land in Queen Alexandra, at below market value, as outlined in Attachment 3 of the August 23, 2021, Financial and Corporate Services report FCS00680, be approved, and that the agreement be in form and content acceptable to the City Manager.
4. That the grant funding affordable housing agreement for Queen Alexandra, as outlined in Attachment 4 of the August 23, 2021, Financial and Corporate Services report FCS00680, be approved, and that the agreement be in form and content acceptable to the City Manager.

Executive Summary

Administration is seeking Executive Committee approval for the below market sale and grant funding for two affordable housing sites. The sites are located in the Garneau and Queen Alexandra neighborhoods and will result in approximately 66 total new units of affordable housing—addressing a portion of the City’s goal of 2,500 affordable housing units by 2022 as identified in the City’s Updated Affordable Housing Investment Plan (2019-2022).

These two sites will be the first offerings under the new process established by City Policy C437A, City Land Assets for Non-Profit Affordable Housing. Under the Policy, the below market sales are brought forward for consideration as a batch before selecting a non-profit housing provider to purchase and develop the sites for affordable housing purposes.

Report

The City’s Updated Affordable Housing Investment Plan (2019-2022) calls for 2,500 new affordable housing units, including 600 supportive housing units, by 2022. To

achieve this target, guided by City Policy C601, Affordable Housing Investment Guidelines, Administration acquired two additional affordable housing sites located in Garneau and Queen Alexandra. On May 17, 2021, City Council approved the revised City Policy C437A, City Land Assets for Non-Profit Affordable Housing. The approval established a process to annually identify and utilize suitable City land assets for proposed land dispositions at below market value. The process facilitates the regular and predictable provision of long-term affordable housing in Edmonton. This report is the first report under the new approach, seeking Executive Committee approval for the below market sale and grant funding for a batch of sites offered through a competitive process to non-profit housing provider in Q4 of 2021, and awarded in Q1 of 2022.

In 2020, the City acquired the Garneau and Queen Alexandra sites for affordable housing due to their proximity to transit, amenities, and for their affordable housing development potential. On July 6, 2021, City Council approved Administration's application to rezone both sites to RA8 (Medium Rise Apartment zone). Administration estimates that the development at the site in Garneau will deliver 26 new affordable housing units, and development at the site in Queen Alexandra will deliver 40 new affordable housing units. The City will determine final unit counts from the design and program requirements of the eventual successful proponents.

The Garneau site's Sale Agreement and Grant Funding Affordable Housing Agreement Terms and Conditions are found in Attachments 1 and 2, respectively. The Terms and Conditions for the Sale Agreement and Grant Funding Affordable Housing Agreement for the Queen Alexandra site are found in Attachments 3 and 4, respectively.

Next Steps

If the recommendations are approved:

- Through a competitive process, Administration will select a non-profit housing provider for each site, prioritizing supportive housing proposals, affordability, ability to operate the development and proven experience successfully developing affordable housing.
- Once the non-profit housing providers are selected, the City and the respective developer for each site will enter into a Sales Agreement and Grant Funding Affordable Housing Agreement. The City will support the developer-led public engagement activities, including developing a Communications and Public Engagement Plan and Good Neighbour Plan.
- Administration will report back on these below market sales progress as part of the annual affordable housing update to City Council, which is anticipated to occur in the first quarter of 2022.

- As this is the first offering under the new C437A policy, Administration will discuss and document lessons learned at the closing of these property offerings and the conclusion of the sales.

Budget/Financial

The cumulative market value of both sites is approximately \$2.4 million. Since 2015, City Council has approved a cumulative market value of \$24.6 million in below market value land sales to non-profit housing providers. Administration will use up to \$1.7 million from Capital Profile 19-90-4100 - Affordable Housing Land Acquisition and Site Development to fund the grants for the servicing of both sites if the recommendation in this report is approved. Capital funding for the construction of these affordable housing developments and ongoing operating expenses will be the responsibility of the successful non-profit housing providers.

Legal

As per section 70(2) of the Municipal Government Act, a disposition of land for below market value does not need to be advertised if it is to be used by a non-profit organization. As the proposed approval is for the disposition of the land to a non-profit organization as defined in section 241(f) of the Municipal Government Act, advertising is not required.

Section 35 of City Bylaw 16620 (City Administration Bylaw) enables the City Manager to approve agreements for disposition of a fee simple interest in land for fair market value or more, up to certain monetary limits. Approval is sought as the sale agreements at issue relate to disposition of fee simple interests in land for below fair market value.

Section 43 of City Bylaw 16620 (City Administration Bylaw) enables the City Manager to approve grant funding agreements valued under \$500,000 that do not pertain to an interest in land and do not exceed ten years in agreement term. Approval is sought as the grant funding affordable housing agreements at issue exceed these delegated authority limits.

Public Engagement

Administration has shared information about developing affordable housing at these sites through mail drops to neighbours and meetings with community league representatives. On July 6, 2021, the public also had the opportunity to speak to the proposed RA8 (Medium Rise Apartment Zone) rezonings for both sites when the land use changes were presented at City Council Public Hearing. The City will continue to update community stakeholders as the development process progresses. Following the selection of a non-profit housing provider(s), the City will support a developer-led

Communications and Public Engagement Plan and engagement on a Good Neighbour Plan for each site.

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	2018-2021:1,536	2,500 by the end of 2022
Edmontonians have safe and adequate housing	Number of people experiencing homelessness	June 2021: 2,526 June 2020: 1,693 June 2019: 1,219	Decrease year over year

Risk Assessment

Risk Element	Risk Description	Likelihood	Impact	Risk Score (with current mitigations)	Current Mitigations	Potential Future Mitigations
If recommendation is approved						
Public Engagement	The community may not support the future development on the identified site.	3 - Possible	1 - Minor	3 - Low	Administration has been proactively sharing information with impacted communities and considering community concerns.	Communications and Public Engagement Plan and development of a good neighbour plan will be required for each site development.
If recommendation is not approved						
Public Perception	Poor public perception of the City's ability to implement the process established in City Policy C437A and the City's ability to maximize its resources to advance affordable housing solutions.	4 - Likely	2 - Moderate	8 - Medium	Inform communities and the affordable housing sector of the City's ongoing work and strategies related to affordable housing.	The City will continue to review its affordable housing policies and resources to maximize their impact and advance affordable housing strategies and goals.

Customers /Citizens	Edmontonians requiring affordable housing will need to continue to rely on temporary housing measures.	5 - Almost Certain	2 - Moderate	10 - Medium	The City is currently exploring other forms of expedited interim housing for individuals experiencing homelessness.	The City will continue to assess impacts related to the shortage of affordable housing.
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Attachments

1. Garneau - Sale Agreement Terms and Conditions
2. Garneau - Grant Funding Affordable Housing Agreement Terms and Conditions
3. Queen Alexandra - Sale Agreement Terms and Conditions
4. Queen Alexandra - Grant Funding Affordable Housing Agreement Terms and Conditions

Others Reviewing this Report

- C. Owen, Deputy City Manager, Communications and Engagement
- R. Smyth, Deputy City Manager, Citizen Services
- K. Fallis-Howell, Acting City Solicitor