

Brentwood Family Housing

Recommendation

That Executive Committee recommend to City Council:

1. That the Social Development Branch 2018 operating revenue and expenditure budgets be increased by \$1 million on a one-time basis for the Brentwood Family Housing Society affordable housing project comprised of 32 rental units in the Britannia Youngstown neighbourhood, with funding from the Housing Reserve.
2. That a funding agreement between the City of Edmonton and the Brentwood Family Housing Society, in the amount of up to \$1 million and in accordance with the terms and conditions set out in Attachment 3 of the July 5, 2018, Citizen Services report CR_6152, be approved, and that the agreement be in form and content acceptable to the City Manager.

Executive Summary

The Brentwood Family Housing Society (the 'Housing Society') is seeking funding from the City of Edmonton in support of a new mixed-income affordable housing project located in the Britannia Youngstown neighbourhood. The five-storey building will consist of 32 family-oriented two and three bedroom units. Sixteen units will be made available at rent-geared-to-income rates for families participating in the Terra Centre's Successful Families Program. The remainder will be rented at market rates. The main floor will also contain a purpose-built daycare. Terra Centre has agreed to be the daycare provider and has been awarded provincial funding to provide \$25 per day daycare at the site.

The Housing Society is seeking a financial contribution of up to \$1 million from the City to enable the delivery of the 16 rent-geared-to-income units. The Housing Society requires a confirmed in-kind or financial contribution (co-investment) from a municipal or provincial government to be eligible to apply for funding and/or loans under the federal government's National Housing Co-Investment Fund.

Report

The City of Edmonton has a long history of supporting affordable housing developments throughout the city. Since 2006, the City has helped create more than 3,500 affordable housing units through its Cornerstones programs. Since the

conclusion of Cornerstones I in 2011, the City has supported specific Council-approved affordable housing projects that meet the goals of the City's Affordable Housing Strategy. The City's proposed financial support of the Housing Society's project is consistent with this established practice.

Moving forward, Administration will be transitioning toward a model that recommends to Council projects for land and financial contributions through a process based on public requests for proposals and site-specific property offerings. A draft City policy to guide this process will be considered by Executive Committee in August 2018. An updated Affordable Housing Investment Plan that outlines plans for affordable housing program investments for the next three years will also be brought forward in fall 2018.

Brentwood Family Housing Society

The Housing Society is a community-oriented, not-for-profit housing provider that has been building and operating affordable housing in Edmonton since 1972. It owns three major properties in Edmonton, operating 680 units and housing 1,040 tenants, about 40 percent of those being seniors. While the Housing Society's roots are in helping impoverished seniors, it plans to focus its future efforts on helping struggling families succeed.

The Housing Society has requested up to \$1 million in City funding to partially finance the development of a family-oriented affordable housing development in the Britannia Youngstown neighbourhood. The proposed project will be comprised of two and three bedroom units, and will feature an on-site daycare. The project will incorporate a mixed-income model, with a mix of 16 market rate units and 16 rent-geared-to-income affordable units delivered at 28 to 32 percent of the household's income. The project features an innovative self-financing funding model through which the market-rate units will offset the cost of delivering the rent-geared-to-income units. The City's maximum \$1 million funding contribution will enable the delivery of the rent-geared-to-income units by reducing the amount of financing required for the project. See Attachment 1 for a glossary of housing terms.

The Housing Society has also partnered with Terra Centre to deliver the Successful Families Program within the development. This program provides both affordable housing and life skills training to teen parents with children. Through group activities, community engagement and in-home visits, the program provides training on tenancy, parenting, budgeting and educational planning. The program helps families build skills and resilience and is designed to enable families to transition from needing help to a place of self-sufficiency. Families have the ability to remain housed in the building even after completing the Successful Families Program.

Project Status

Project planning has already begun for the Housing Society's Britannia Youngstown development. The Housing Society is seeking to rezone the subject property and is

scheduled to be heard for Council's consideration on July 9, 2018 at City Council Public Hearing.

The project is scheduled to break ground in October 2018, with an anticipated building occupancy date of September 2019. See Attachment 2 for a rendering of the project.

Budget/Financial Implications

This request for funding is coming forward now to enable the Housing Society to apply for further funding under the federal government's National Housing Co-Investment fund, which requires projects to have in place a confirmed in-kind or financial (co-investment) contribution from a municipal or provincial government to be eligible. The funding agreement referenced in the report's recommendations will be subject to the successful rezoning of the subject property.

The estimated project budget is \$10,614,375, including land and construction. The requested City contribution of up to \$1 million would be funded through the City's Housing Reserve. See Attachment 3 for funding agreement terms and conditions for the City funding for the project.

Public Engagement

A public consultation event was completed by the Housing Society on February 2, 2017 at the Britannia Youngstown Community Hall. A follow-up letter was sent on February 3, 2017 to the community to address specific concerns related to parking, building shadow, crime-free property, as well as upkeep and maintenance. In addition, a meeting was held on March 30, 2017 to address design of the building and residents' questions on height, setbacks, stepbacks, landscaping, balconies and colours through 3D modeling technologies. Representatives from Terra Successful Families Program were also in attendance to talk about how families get into the program and the safe environment the program creates for families.

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 access to affordable housing	Number of affordable housing units created with City funding, land contributions or in-kind supports	780 units created through the Cornerstones II programs (2012-2016)	2018-2021 target under development

Risk Assessment

Risk Element	Risk Description	Likelihood	Impact	Risk Score (with current mitigations)	Current Mitigations	Potential Future Mitigations
Public perception	Local residents or businesses may oppose the project	3 - Possible	3 - Major	9 - Medium	Society has engaged with immediate neighbours and Business Improvement Area	Good Neighbour agreement
Financial (Operating)	Inability to find eligible tenants	1 - Unlikely	3- Major	3 - Low	Society has a long history of working with eligible tenants and maintains a lengthy wait list	City to monitor funding agreement to ensure compliance
Financial (Capital)	Construction cost overruns	1 - Unlikely	2- Moderate	2 - Low	Society has worked with its consultant team to identify and mitigate design risks	The Society has a capital reserve to cover unforeseen cost escalation

Attachments

1. Glossary of Housing Terms
2. Project Rendering
3. Funding Agreement Terms and Conditions

Others Reviewing this Report

- L. McCarthy, Deputy City Manager, Urban Form and Corporate Strategic Development
- S. Padbury / R. Kits, Acting Deputy City Managers, Financial & Corporate Services
- M. Sturgeon, Acting Deputy City Manager, Communications and Engagement