

Belvedere Permanent Supportive Housing

Recommendation

That Executive Committee recommend to City Council:

1. That the Social Development Branch 2018 operating revenue and expenditure budgets be increased by \$3 million on a one-time basis to fund the Right at Home Housing society permanent supportive housing project comprising of 42 rental units in the Belvedere neighbourhood, with funding from the Cornerstones program.
2. That a funding agreement between the City of Edmonton and the Right at Home Housing Society, in the amount of up to \$3 million and in accordance with the terms and conditions set out in Attachment 3 of the July 5, 2018, Citizen Services report CR_5475, be approved, and that the agreement be in form and content acceptable to the City Manager.

Executive Summary

The Right at Home Housing Society has requested \$3 million in City funding to partially finance the development of a permanent supportive housing building in the Belvedere neighbourhood. The project would be comprised of 41 units of permanent supportive housing and one near-market affordable housing unit that will be provided to a live-in support worker for the project. The units will be prioritized for Edmontonians who currently reside in the Fort Road area and are chronically homeless or affected by severe housing affordability issues.

Ongoing on-site supports will be provided through a service agreement between the Right at Home Housing Society and NiGiNan Housing Ventures, the organization that operates the Ambrose Place project in McCauley. The Right at Home project would include 24/7 on-site staffing and additional tenant supports.

This project directly supports the goals and objectives of Edmonton's Updated Plan to Prevent and End Homelessness.

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 policies and strategies. The Right at Home Society's Belvedere project is consistent with this practice. Administration is transitioning towards 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 at 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.

An important objective of *Edmonton's Updated Plan to Prevent and End Homelessness* is developing permanent supportive housing units for individuals with complex needs. While a target of 1,000 units was identified in the City's 2009 homelessness plan, only approximately 200 units were built between 2009 and 2016. The updated plan identifies a target of 916 permanent supportive housing units to be developed within six years. See Attachment 1 for a glossary of housing terms.

On April 25, 2018, City Council resolved that "the 916 units of Permanent Supportive Housing over the next six years is the highest priority for investment in the eradication of homelessness from partners, especially the Government of Alberta and Government of Canada." In August 2018, Administration will provide a report that summarizes the current provincial and federal funding context for permanent supportive housing.

Belvedere Permanent Supportive Housing

Right at Home Housing Society is a community-based non-profit housing provider that has been building and operating affordable housing in Edmonton for more than 35 years. The Society's mandate is to house people in poverty who face serious housing instability and other related challenges. It owns or manages 25 properties comprised of 489 housing units in Edmonton. Right at Home Housing Society provides housing for more than 1,000 people, about half of whom are children.

The proposed permanent supportive housing apartment building will have 27 one-bedroom and 15 two-bedroom self-contained rental units. This bedroom mix will provide options for parents with children, as well as for persons with developmental disabilities and their live-in caretakers. The rental rates for the permanent supportive housing units are anticipated to be \$615 for a one-bedroom apartment and \$755 for a two-bedroom apartment. These rates are approximately 62 percent of the 2018 average market rent in Edmonton.

The Right at Home project would include 24/7 on-site staffing and additional tenant supports. Ongoing on-site supports will be provided through a co-operating agreement between the Society and NiGiNan Housing Ventures, the organization that operates the Ambrose Place project in McCauley. NiGiNan is an Indigenous-led, charitable

organization that owns and operates Ambrose Place, a permanent supportive housing project that provides a welcoming home and cultural based supports for Indigenous people who have experienced severe, chronic homelessness. Ambrose Place has been in operation for close to five years, and has demonstrated positive outcomes.

In response to concerns identified by stakeholders from the business community, the Right at Home Housing Society has committed to prioritizing the units for Edmontonians who currently reside in the Fort Road area and are chronically homeless or affected by severe housing affordability issues.

Current Status

This project does not require rezoning. A development permit and foundation permit have been issued, the construction drawings are being finalized, and the project has entered the project tendering phase. In addition, Right at Home Housing Society has applied for provincial funding through the Affordable and Specialized Housing capital program, as well as the new Indigenous Housing Capital Program, which is anticipated to launch prior to Quarter three, 2018. See Attachment 2 for a preliminary project rendering for the project.

An approved City funding commitment will enable Right at Home Housing Society to proceed with the project while it waits for additional information on provincial funding commitments. Should the Government of Alberta provide funding for the project, Administration may adjust the required City contribution for the project.

Budget/Financial

The project's estimated total capital cost is \$10,378,128 and the Right at Home Housing Society is contributing \$2,078,128 in equity. The maximum \$3 million City of Edmonton funding would be funded through the Cornerstones program. . The Right at Home Housing Society is seeking the remaining funds from the Government of Alberta. The Society will assume any risk of cost escalations through its internal capital reserve. See Attachment 3 for funding agreement terms and conditions for the City funding for the project.

Public Engagement and Communications

Right at Home Housing Society has engaged with the surrounding community in several ways over the past two years, including notifying nearby residents of the project in spring 2016, and inviting local residents to a community league sponsored meeting in June of that same year. In January 2018, Right at Home staff met with the community league to discuss progress, the type of housing planned and plans to enter into a good neighbour agreement for the project. At that meeting, the Right at Home Housing Society confirmed its intent to make improvements to the adjacent City-owned park using corporate donations, to become a member of the community

league and to help sponsor community events or participate with neighbourhood watch types of programs.

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)
Achieve permanent supportive housing goals established in the 10-Year Plan to End Homelessness (Council endorsed the Updated 10-Year Plan in September 2017)	Number of new permanent supportive housing units developed.	TBD	916 new permanent supportive housing units developed by 2022

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 in place
Financial (Operating)	Inability to find eligible tenants	2 - Unlikely	3- Major	6 - Low	Society will work with social service agencies to ensure referrals of eligible tenants. City has no ongoing obligations to the Society	City to monitor funding agreement to ensure compliance
Financial (Capital)	Construction cost overruns	2 - Unlikely	2- Moderate	4 - Low	Society has worked with its consultant team to identify and mitigate design risks and has a fixed-price contract on construction costs	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

- R. Kits and S. Padbury, Acting Deputy City Managers, Financial and Corporate Services
- M. Sturgeon, Acting Deputy City Manager, Communications and Engagement