

Affordable Housing Investment Program - Winter 2022 Grant Award Recommendation

RECOMMENDATION

1. That a grant funding affordable housing agreement between the City of Edmonton and 12621665 Canada Association for an amount not to exceed \$5,591,706, as outlined in Attachment 2 of the February 16, 2022, Community Services report CS00897, be approved, and that the agreement be in form and content acceptable to the City Manager.
2. That a grant funding affordable housing agreement between the City of Edmonton and 102039004 Saskatchewan Ltd. for an amount not to exceed \$2,556,502, as outlined in Attachment 4 of the February 16, 2022, Community Services report CS00897, be approved, and that the agreement be in form and content acceptable to the City Manager.
3. That a grant funding affordable housing agreement between the City of Edmonton and 102039004 Saskatchewan Ltd. for an amount not to exceed \$2,060,668, as outlined in Attachment 6 of the February 16, 2022, Community Services report CS00897, be approved, and that the agreement be in form and content acceptable to the City Manager.
4. That a grant funding affordable housing agreement between the City of Edmonton and Matheson Seniors Housing Corp. for an amount not to exceed \$954,350, as outlined in Attachment 8 of the February 16, 2022, Community Services report CS00897, be approved, and that the agreement be in form and content acceptable to the City Manager.
5. That a grant funding affordable housing agreement between the City of Edmonton and The Mustard Seed Foundation for an amount not to exceed \$2,555,313, as outlined in Attachment 10 of the February 16, 2022, Community Services report CS00897, be approved, and that the agreement be in form and content acceptable to the City Manager.
6. That a grant funding affordable housing agreement between the City of Edmonton and Westrich Garneau Inc. for an amount not to exceed \$3,050,000, as outlined in Attachment 12 of the February 16, 2022, Community Services report CS00897, be approved, and that the agreement be in form and content acceptable to the City Manager.

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Report Purpose

Committee decision required

Committee is being asked to approve Affordable Housing Investment Program grant recommendations for a total of \$16,768,539, in accordance with City Policy C601 - Affordable Housing Investment Guidelines.

Executive Summary

- The Affordable Housing Investment Program provides grant funding to incentivize affordable housing development and help the City reach its goal of creating 2,500 affordable housing units across Edmonton between 2019 and 2022.
- Administration recommends grant funding for six proposed affordable housing developments which would result in 265 new units and 300 rehabilitated units of affordable housing in exchange for grant funding in the amount of \$16.7 million. All units included in this round would be offered to qualified tenants at a maximum of 80 per cent of average market rent.
- Funding is available through the existing City's Affordable Housing Reserve.
- The City's funding investment would help generate a total of \$154.9 million in construction value and would contribute to the long-term supply of affordable housing in Edmonton.
- The proposed developments would provide safe, affordable and sustainably-built housing for Indigenous peoples, low income seniors, women and children, people with disabilities and people experiencing homelessness.
- The proposals represent unique collaborations with a diverse group of non-market and market housing providers whose proposed designs thoughtfully respond to the needs of future residents.

REPORT

The City's Updated Affordable Housing Investment Plan (2019-2022) aims to create 2,500 new or renovated affordable housing units across Edmonton. In alignment with City Policy C601 - Affordable Housing Investment Guidelines, the Affordable Housing Investment Program provides grant funding to eligible non-profit and private sector entities, targeting shovel-ready proposals to encourage affordable housing development in Edmonton. The grants provide up to 25 per cent of the capital costs of newly constructed or rehabilitated affordable housing developments. All projects exceed the National Energy Code by a minimum of 15 per cent which enhances the developments' environmental and long-term operational sustainability.

The latest grant intake period ran from June 28 to September 30, 2021. Administration updated its Affordable Housing Investment Program website and sent out a news release at

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the beginning of the grant intake period to indicate that applications were being accepted. Administration reviews all applications and works with applicants not selected for funding to improve the quality of their applications and encourages them to submit for future rounds of intake

The six applications recommended for funding would provide people from all backgrounds the opportunity to live in an affordable home. The application review process prioritized the affordability of a project, as well as the people it was looking to serve by focusing on marginalized groups. By supporting these applications, the program aims to help reduce barriers to housing equity in our city.

The six recommended projects would add 265 new affordable housing units and 300 rehabilitated affordable housing units, with a total of 2,304 affordable housing units as of First Quarter 2022. This moves the City towards its goal of 2,500 units of new or renovated affordable housing by the end of 2022 as outlined in the City's Updated Affordable Housing Investment Plan. The six applications represent a total investment of approximately \$155 million.

12621665 Canada Association - Heritage Valley Towne Centre Area

The newly formed non-profit corporation, 12621165 Canada Association is collaborating with Enoch Cree Nation and Leston Holdings (1980) Ltd. to create affordable rental units in Heritage Valley Towne Centre for members of Enoch Cree Nation and qualifying tenants referred by Catholic Social Services and Homeward Trust. 12621165 Canada Association is currently constructing the apartment building which would provide a total of 102 units for affordable use for 20 years. Once complete, the property will be managed and operated by Leston. Leston has more than 3,000 units under its management, purchased and/or renovated for the past 10 years. 12621165 Canada Association would offer all units at a maximum of 80 per cent of average market rents and provide the following unit types:

- 43 two-bedroom, two-bathroom units
- 59 two-bedroom, one-bathroom units

The estimated construction budget for the entire development is approximately \$25 million. 12621165 Canada Association has applied for \$5,591,706 from the City to offset capital costs for the 102 units. As 12621165 Canada Association was recently incorporated in Alberta, Administration would also obtain a guarantee agreement from a third-party corporate entity that satisfies the City's program and due diligence requirements, with recourse in the event of default by 12621165 Canada Association.

Attachment 1 contains further details of this development. Attachment 2 contains the proposed general terms and conditions of the grant funding affordable housing agreement.

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102039004 Saskatchewan Ltd. - Chappelle

102039004 Saskatchewan Ltd. is collaborating with YWCA Edmonton to provide family-sized rentals for women and children escaping domestic abuse and people experiencing homelessness. 102039004 Saskatchewan Ltd. is proposing to develop 15 buildings with a total of 134 units. 102039004 Saskatchewan Ltd. would make 43 of the units affordable for 25 years, with:

- 10 one-bedroom units at a maximum of 67 per cent of average market rents
- 33 three-bedroom units at a maximum of 66 per cent of average market rents

The estimated construction budget for the entire development is approximately \$36 million. 102039004 Saskatchewan Ltd. has applied for \$2,556,502 from the City to offset capital costs for the 43 affordable units..

Attachment 3 contains further details of this development. Attachment 4 contains the proposed general terms and conditions of the grant funding affordable housing agreement.

102039004 Saskatchewan Ltd. - The Orchards at Ellerslie

102039004 Saskatchewan Ltd. is collaborating with YWCA Edmonton to provide family-sized rentals for women and children escaping domestic abuse and people experiencing homelessness. 102039004 Saskatchewan Ltd. is proposing to develop eight buildings with a total of 111 units. Avana would make 34 of the units affordable for 25 years at a maximum of 80 per cent of average market rents. The unit types would range from one-bedroom units to three-bedroom units.

The estimated construction budget for the entire development is approximately \$29.8 million. 102039004 Saskatchewan Ltd. has applied for \$2,060,668 from the City to offset capital costs for the 34 affordable units..

Attachment 5 contains further details of this development. Attachment 6 contains the proposed general terms and conditions of the grant funding affordable housing agreement.

Matheson Seniors Housing Corp. - Woodcroft

Matheson Seniors Housing Corp. has owned and operated the Matheson Seniors' Residence since 1973, with the residence providing a mix of 411 studio and one-bedroom affordable housing units to low income seniors.

The residence building is currently being rehabilitated to extend its service life for another fifty years. As part of this rehabilitation, Matheson is replacing the original plumbing in each residential unit, which are all affordable units for low income seniors. A relocation plan is in place to temporarily relocate residents from their units during the rehabilitation project. In exchange for the City of Edmonton grant funding contribution, Matheson is committed to offer eligible seniors rents at a maximum of 80 per cent of average market rents for 20 years

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for 300 of the 411 total units. The remaining units will be offered at various rates below average market rents.

The estimated budget for the rehabilitation work is \$5.2 million and Matheson has applied for \$954,350 from the City to offset capital costs for the rehabilitation work.

Attachment 7 contains further details of this development. Attachment 8 contains the proposed general terms and conditions of the grant funding affordable housing agreement.

The Mustard Seed Foundation - Canora

The Mustard Seed Foundation's proposed development focuses on providing permanent supportive housing to low-income adults experiencing chronic homelessness or housing instability. The proposed development consists of 38 self-contained studio units, including ten units dedicated to Indigenous peoples. The proposed development would provide wrap-around support designed to promote and foster wellness and sustainable living by engaging and empowering residents to access services that best meet their needs. This model provides an integrated approach with principal focus on building meaningful relationships with other residents, staff, and community members, as well as the neighbourhood as a whole. All units would be offered at 70 to 80 per cent of average market rents, with affordable use for 30 years.

The addition of 38 supportive housing units through this proposed development would also help achieve the City's goal of constructing 900 supportive housing units by 2024 as identified in the Updated Plan to End Homelessness.

The estimated budget for the entire development is approximately \$11 million. The Mustard Seed Foundation has applied for \$2,555,313 from the City to offset capital costs for the 38 supportive housing units.

Attachment 9 contains further details of this development. Attachment 10 contains the proposed general terms and conditions of the grant funding affordable housing agreement.

Westrich Garneau Inc. - Garneau

Westrich Garneau Inc. is constructing the six-storey West Garneau apartments. The development will include 159 residential units, 48 of which would be affordable housing at a maximum of 80 per cent of average market rents, with affordable use for 20 years. The 48 units would comprise a mix of one-, two- and three-bedroom units. The affordable units would be available to eligible tenants, with a focus on single parents, seniors, new immigrants and members of Enoch Cree Nation.

The estimated construction budget for the entire development is approximately \$47.8 million. Westrich Garneau Inc. has applied for \$3,050,000 from the City to offset capital costs for the 48 affordable units. As Westrich Garneau Inc. was recently incorporated,, Administration would also obtain a guarantee agreement from a third-party corporate entity that satisfies the

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City's program and due diligence requirements, with recourse in the event of default by Westrich Garneau Inc.

Attachment 11 contains further details of this development. Attachment 12 contains the proposed general terms and conditions of the grant funding affordable housing agreement.

Budget/Financial Implications

The requested City contributions of up to \$16,768,539 would be provided through the Affordable Housing Investment Program funded from the existing City's Affordable Housing Reserve and tax levy budget.

Legal Implications

Bylaw 16620 - City Administration Bylaw enables the City Manager to approve affordable housing agreements that do not exceed \$1,000,000. Committee approval is required for affordable housing agreements that exceed these delegated authority limits.

COMMUNITY INSIGHT

All residents of Edmonton deserve a place to call home and housing security is critical to a healthy city. Residents have informed the City through previous public engagement that there is not enough affordable housing supply in the city, as many struggle finding an affordable home. Providing grant funding for six affordable housing developments through the Affordable Housing Investment Program would help people find housing by increasing the affordable housing supply.

GBA+

The Affordable Housing Investment Program provides people from all backgrounds with the opportunity to live in a safe, comfortable home that they can afford. For many, a major barrier to this is cost. The program aims to remove that barrier through supporting the development of affordable housing in Edmonton and impacts those seeking affordable housing as it increases the supply of such housing units in Edmonton.

To ensure projects submitted for grant funding provide the greatest level of affordability, the application review process weighted affordability measures, such as the number of affordable units, average rent, and length of affordability, higher than other application criteria. Ensuring that affordability is the most important aspect of the applications is the one of the central equity measures utilized in the review process.

In addition to affordability, the review criteria incentivizes applications that focus on providing units to marginalized groups, such as Indigenous peoples, low income seniors, women fleeing violence, people with disabilities and people experiencing homelessness. Providing the greatest level of affordability possible while focusing units to marginalized groups are the main ways in

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which to ensure the Affordable Housing Investment Program is removing barriers to housing and supporting housing equality.

ATTACHMENTS

1. 12621665 Canada Association Heritage Valley Development Overview
2. 12621665 Canada Association Heritage Valley Grant Funding Affordable Housing Agreement General Terms and Conditions
3. 102039004 Saskatchewan Ltd. Chappelle Development Overview
4. 102039004 Saskatchewan Ltd. Chappelle Grant Funding Affordable Housing Agreement General Terms and Conditions
5. 102039004 Saskatchewan Ltd. Orchards Development Overview
6. 102039004 Saskatchewan Ltd. Orchards Grant Funding Affordable Housing Agreement General Terms and Conditions
7. Matheson Seniors Housing Corp. Matheson Seniors' Residence Development Overview
8. Matheson Seniors Housing Corp. Matheson Seniors' Residence Grant Funding Affordable Housing Agreement General Terms and Conditions
9. The Mustard Seed Foundation Canora Development Overview
10. The Mustard Seed Foundation Canora Grant Funding Affordable Housing Agreement General Terms and Conditions
11. Westrich Garneau Inc. Development Overview
12. Westrich Garneau Inc. Grant Funding Affordable Housing Agreement General Terms and Conditions