

## AFFORDABLE HOUSING INVESTMENT PROGRAM - SUMMER 2022 GRANT AWARD RECOMMENDATION

### RECOMMENDATION

1. That a grant funding affordable housing agreement between the City of Edmonton and Métis Capital Housing Corporation for an amount not to exceed \$8,200,000, as outlined in Attachment 2 of the September 7, 2022, Community Services report CS01304, 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 Tribal Chief's Ventures Inc. for an amount not to exceed \$4,034,519, as outlined in Attachment 4 of the September 7, 2022, Community Services report CS01304, 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 the City of Edmonton Non-Profit Housing Corporation for an amount not to exceed \$3,807,963, as outlined in Attachment 6 of the September 7, 2022, Community Services report CS01304, 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 Paul Band Property Management Corp. for an amount not to exceed \$1,537,200, as outlined in Attachment 8 of the September 7, 2022, Community Services report CS01304, be approved, and that the agreement be in form and content acceptable to the City Manager.

Requested Council Action		Decision required	
ConnectEdmonton's Guiding Principle		ConnectEdmonton Strategic Goals	
CONNECTED This unifies our work as we work to achieve our strategic goals.		Urban Places	
City Plan Values	LIVE		
City Plan Big City Move(s)	A community of communities  Inclusive and	Relationship to Council's Strategic Priorities	Community safety and well-being

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	compassionate		
<b>Corporate Business Plan</b>	Transforming for the future		
<b>Council Policy, Program or Project Relationships</b>	<ul style="list-style-type: none"> <li>• C601 - Affordable Housing Investment Guidelines</li> <li>• Bylaw 16620 - City Administration Bylaw</li> <li>• Affordable Housing Investment Program</li> </ul>		
<b>Related Council Discussions</b>	<ul style="list-style-type: none"> <li>• CR7846 Affordable Housing Investment Program - Spring 2020 Grant Award Recommendation (City Council, August 31, 2020)</li> <li>• CR8415 Reimbursement Funding Agreements for Affordable Housing Developments (City Council, September 21, 2020)</li> <li>• CS00432 Affordable Housing Investment Program - Spring 2021 Grant Award Recommendation (Executive Committee, May 27, 2021)</li> <li>• CS00897 Affordable Housing Investment Program - Winter 2022 Grant Award Recommendation (Executive Committee, February 16, 2022)</li> </ul>		

## 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. These grants would bring the total (to date) commitment to 2,670 affordable housing units. Although the 2019 goal is now achieved, the most recent Housing Needs Assessment indicates that approximately 6,895 households are currently on an official waitlist for affordable housing, demonstrating a continuing need.
- Administration recommends granting \$17.6 million in funding to the four proposed affordable housing developments to support the construction of 258 new units of affordable housing in Edmonton. 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 City's existing Affordable Housing Reserve and tax levy budget. If the recommendations in this report are approved, the budget for the Affordable Housing Investment Program would now be allocated/committed and future rounds of Affordable Housing Investment Program grants will be on hold until funding decisions are made as part of the City of Edmonton's 2023-2026 budget discussions.
- The City's funding investment of \$17.6 million would help generate a total of \$128.7 million in construction value and would contribute to the long-term supply of affordable housing in Edmonton. In addition to the City's investments towards these projects, the housing providers have secured, or are in the process of obtaining, additional funding from other orders of government totalling \$73.8 million.
- The proposed developments would provide safe, affordable and sustainable housing for Indigenous peoples, low-income families and women and children.

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- 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 Edmontonians.

### **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 (the 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 January 10 to April 13, 2022. Administration updated its Affordable Housing Investment Program website and sent out a news release at the beginning of the grant intake period to indicate that applications were being accepted. During this intake period, Administration received six applications for new affordable housing builds, requesting a total of \$24.4 million of support from the City to support \$142.7 million in total proposed capital expenditure. Administration reviews all applications for each intake period 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 four applications recommended for funding would provide people from all backgrounds the opportunity to live in a safe and 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 Edmonton. Three out of the four grant recipients are located in the Griesbach neighborhood. The sites, formerly Canada Lands sites, are part of the Federal Land Initiative program administered by Canada Mortgage Housing Corporation, in which land is offered at a discounted value to no cost to incentivize affordable housing. The Griesbach neighbourhood currently has no affordable housing. These developments would bring the percentage of affordable housing in the community to approximately nine per cent. The City's target goal for affordable housing in communities is 16 per cent.

The four recommended projects represent a total investment of approximately \$128.7 million and would add 258 new affordable housing units, bringing the 2019-2022 total to 2,670 affordable housing units, either built or committed, as of Q3 2022. This moves the City past its goal of 2,500 new or renovated affordable housing units by the end of 2022, as outlined in the City's updated Affordable Housing Investment Plan.

### **Métis Capital Housing Corporation - Griesbach**

Métis Capital Housing Corporation is proposing to create affordable rental units in Griesbach for low-income Indigenous families, with a focus on women and children. The building will provide a

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total of 127 units for affordable use and will be managed by Métis Capital Housing Corporation. On-site programming, workshops and an early childhood learning centre will be available to tenants. Residential units would be offered at a maximum of 80 per cent of average market rents and provide a range of unit types.

The estimated construction budget for the entire development is approximately \$50 million. Métis Capital Housing Corporation has applied for \$12,500,000 from the City to offset capital costs for the 127 units. However, due to the current budget cycle limitations, the Program is able to provide \$8,200,000 for the development. The funding recommendation for this development is the highest City contribution to date since the grant program started in 2019. Métis Capital Housing Corporation would provide a 40-year term affordable housing agreement using the City's contribution. Métis Capital Housing Corporation is also pursuing funding from the Canada Mortgage and Housing Corporation's National Housing Co-Investment Fund and the Government of Alberta's Indigenous Housing Capital Program.

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

### **Tribal Chief's Ventures Inc. - Griesbach**

Tribal Chief's Ventures Inc. will be providing affordable housing in Griesbach to off-reserve Indigenous families from Tribal Chief's Ventures' six members nations: Beaver Lake Cree First Nation, Cold Lake First Nations, Frog Lake First Nation, Heart Lake First Nation, Kehewin Cree Nation and Whitefish Lake First Nation. Tribal Chief's Ventures Inc. is proposing to develop a mixed-market, 127 unit building, of which 64 units will be affordable at a maximum of 79 per cent of average market rents, with a range of unit types.

The estimated budget for the entire development is approximately \$32.2 million. Tribal Chief's Ventures Inc. has applied for \$4,034,519 from the City to offset capital costs for the 64 affordable housing units and the City recommends granting the full request. Tribal Chief's Ventures Inc. would provide a 40-year term affordable housing agreement using the City's contribution. Tribal Chief's Ventures Inc. is also pursuing funding from the Canada Mortgage and Housing Corporation's National Housing Co-Investment Fund and the Government of Alberta's Indigenous Housing Capital Program.

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

### **HomeEd - Griesbach**

The City of Edmonton Non-Profit Housing Corporation (HomeEd) is proposing to develop five mixed-market buildings with a total of 85 townhouse units. HomeEd would designate 43 of the units affordable at a maximum of 80 per cent of average market rents, with a range of unit types.

The estimated construction budget for the entire development is approximately \$37.6 million. HomeEd has applied for \$4,400,000 from the City to offset capital costs for the 43 affordable units. However, due to the current budget cycle limitations, the Program is only able to provide

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\$3,807,963 towards the project. HomeEd would provide a 40-year term affordable housing agreement using the City's contribution. HomeEd is also pursuing funding from the Canada Mortgage and Housing Corporation's National Housing Co-Investment Fund and the Federation of Canadian Municipalities' Green Municipal Fund.

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

### **Paul Band Property Management Corp. - Glenwood**

Paul Band Property Management Corp. will be providing affordable housing in Glenwood to off-reserve members of Paul First Nation with a focus on families, seniors and members living with disabilities. The applicant is proposing to develop 24 semi-detached residential units, all of which would be affordable for 40 years, with a range of unit types. Tenants will have access to on-site workshops on living in the city as well as off-site social services, both provided by Paul First Nation. An equity trust program will be set up to allow tenants to grow savings to a level that will eventually allow them to move out of the development and purchase their own home.

The estimated construction budget for the entire development is approximately \$8.9 million. Paul Band Property Management Corp. has applied for \$1,537,200 from the City to offset capital costs for the 24 affordable units and the City recommends granting the full request. Paul Band Property Management Corp. would provide a 40-year term affordable housing agreement using the City's contribution. Paul Band Property Management Corp. is also pursuing funding from the Canada Mortgage and Housing Corporation's Seed Funding and National Housing Co-Investment Fund and the Government of Alberta's Indigenous Housing Capital Program.

As Paul Band Property Management Corp. was recently incorporated in Alberta, Administration would also obtain a guarantee agreement from a third-party entity that satisfies the City's Program and due diligence requirements, with recourse in the event of default by Paul Band Property Management Corp.

At this time, the guarantee is planned to be provided by an Indian band. Indian bands are unique creatures of statute addressed under the *Indian Act*, R.S.C. 1985, C.I-5, and there is case law that supports the ability of an Indian band to enter into a contract of guarantee. Enforcement matters relating to assets of an Indian band are also addressed in the *Indian Act*, R.S.C. 1985, C.I-5.

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

### **Budget/Financial Implications**

The requested City contributions of up to \$17,579,682 would be provided through the Affordable Housing Investment Program funded from the City's existing Affordable Housing Reserve and tax levy budget. If Committee approves the recommended grants and after considering funding placeholders for other projects, the budget for the Affordable Housing Investment Program will be allocated/committed and future rounds of Affordable Housing Investment Program grants will

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be on hold until funding decisions are made as part of the City of Edmonton's 2023-2026 budget discussions.

### **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**

Housing security is critical to a healthy city. Residents have informed the City through previous public engagement efforts that there is an insufficient affordable housing supply in the city, as many struggle finding an affordable home. Providing grant funding for these four affordable housing developments through the Affordable Housing Investment Program would reduce that struggle and aid people in finding affordable housing.

All grant funding applicants of the Affordable Housing Investment Program are required to prepare a Community Engagement Plan and a Good Neighbour Plan. The Community Engagement Plan provides background information on the project, a list of stakeholders and community engagement activities related to the project. The Good Neighbour Plan must include commitments from the housing operator to the community, tenant eligibility requirements and an issues resolution framework.

### **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. The Program aims to remove cost barriers 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 key affordability measures (e.g. the number of affordable units, average rent, length of affordability, etc) higher than other application criteria. Ensuring that affordability is the most important aspect of these applications was one of the central equity measures utilized in the review process.

In addition to affordability, the review criteria incentivized applications in support of marginalized populations (e.g. Indigenous peoples, low-income seniors, women fleeing violence, people with disabilities and people experiencing homelessness) that are identified as priorities by the Canada Mortgage and Housing Corporation, as well as the City's own housing needs assessment. By focusing on higher levels of affordability and marginalized populations with greater housing needs, the Affordable Housing Investment Program is supporting housing equality while removing barriers to housing.

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## **ATTACHMENTS**

1. Métis Capital Housing Corporation - Griesbach Development Overview
2. Métis Capital Housing Corporation - Griesbach Grant Funding Affordable Housing Agreement General Terms and Conditions
3. Tribal Chief's Ventures Inc. - Griesbach Development Overview
4. Tribal Chief's Ventures Inc. - Griesbach Grant Funding Affordable Housing Agreement General Terms and Conditions
5. The City of Edmonton Non-Profit Housing Corporation - Griesbach Development Overview
6. The City of Edmonton Non-Profit Housing Corporation - Griesbach Grant Funding Affordable Housing Agreement General Terms and Conditions
7. Paul Band Property Management Corp. - Glenwood Development Overview
8. Paul Band Property Management Corp. - Glenwood Grant Funding Affordable Housing Agreement General Terms and Conditions