

Lessons Learned on the Pilot Grant Program

Application Process

The pilot program application process and the required mandatory requirements has room for improvement and simplification according to the feedback provided by the prospective and the successful applicants. Applicants emphasized that there are increased risks associated with the acquisition of problem properties. There are documents that can be deferred/or eliminated at the time of application stage. Some of the requirements can be submitted once the project is selected for funding at the time of entering into the affordable housing agreement. Below are list of some possible improvements that can be explored by Administration;

- Property searches requirements can be done internally instead of applicants responsibility
- Detailed plans can be submitted later in the process - affordable housing agreement stage
- Quantity Survey (Cost Estimate) - Allow high level cost estimates at the time of application stage and defer an updated QS report based on the Building Permit drawings as condition precedent of the affordable housing agreement.

Property Acquisition

The pilot did not achieve redevelopment of properties that embodied all or majority of criteria specified on the problem properties definition. Prospective applicants suggested that to increase project viability, the City could include funding amounts for land acquisition costs in the grant funding for the redevelopment of active problem properties. They also suggested consideration of an open application intake process similar to the previous secondary suites grant program, to help accommodate land acquisition processes driven by sellers who want a sale completed quickly.

Administration has a current practice of generally not providing both land (or funding for land acquisition) and other grant funding for capital constructions costs of an affordable housing development. Reasons for this practice include:

- The City's role is a limited funding partner
- Funding of 33 per cent or more may trigger the requirements of City Policy C672 - Climate Resilience (For buildings greater than 600 square metres in gross floor area and anticipated to be greater than \$3 million in capital project cost)

Policy C601 Affordable Housing Investment Guidelines provides guidelines to Administration's affordable housing investments which include land contribution and grant funding tools as ways to increase affordable housing throughout the City. The City could consider providing funding for both land acquisition and project development costs. This change could enhance the ability of non-profits to develop acquired problem properties at market value, for redevelopment into affordable housing.

City Acquisition by way of Tax Forfeiture Process: Council report FCS1244 Derelict Residential and Non-Residential Properties - Grant Program and Draft Policy indicates that although these options exist, relatively few properties become available to the City through the tax forfeiture process. The tax forfeiture process is highly prescribed in the Municipal Government Act and is designed to support municipalities in collecting unpaid taxes while protecting the rights of property owners.

Pre-Qualifying Non-Profit Housing Providers

Consider the grant program pre-qualifying a non-profit housing provider or providers to acquire and develop problem property sites. The selection process would be guided by application criteria such as the applicant's mission and demonstrated ability to successfully complete and operate a development. Successful applicants would be provided with a set budget to acquire and redevelop problem properties. This approach would allow pre-qualified housing providers to acquire sites on an opportunistic basis which also provide them the ability to leverage City funding in obtaining additional funding contributions from other levels of Government.

To ensure City's investments are protected, the required affordable housing agreement will include all necessary condition precedent that will ensure City's requirements are fulfilled prior to disbursement of any funds.

Market Housing

The Edmonton Community Development Company suggested that the program allow market housing opportunities to support the financial viability of proposed developments. The inclusion of market housing in the program could increase the financial sustainability of developments, if the proposed development is considered mix-income. However, if the proposed grant also covers the market housing component of the development, this would require an alternative funding source other than the affordable housing reserve which exclusively funds affordable housing projects.

The redevelopment of a problem property can contribute to affordability issues within a neighborhood. Alternative forms of affordable housing that maintain affordability and offer support and community could be considered as opposed to a replacement favoring only single family dwellings . This could include co-housing and single room occupancy shared accommodation.

Potential Relocation of Vulnerable Tenants

Many people staying in problem properties may be from vulnerable populations including those dealing with challenging housing needs, mental health issues, experiencing episodic homelessness, low income, substance abuse issues, as well as people living with disabilities, people who were formerly incarcerated and newcomers to the city unaware of their rights.

Although the pilot did not have any projects where tenant relocation was required it is a consideration for any successive City initiatives.

Administration undertook a scan of tenant relocation policies in other Canadian cities. Tenant relocation policies aim at stronger protection for tenants at risk of displacement caused by redevelopment (be that renovation, demolition, or conversion) and exist in some cities in Ontario and British Columbia. However, only the Cities of Vancouver and Victoria indicate particular consideration for low-income and vulnerable tenants in single room occupancy units in addition to general tenant relocation policies. Since re-development can lead to higher rents and erosion of naturally occurring affordable housing stock, these municipalities encourage landlords or developers to collaborate with social service agencies to find alternative housing options for such tenants to prevent them from being displaced.