

## AFFORDABLE HOUSING INVESTMENT PROGRAM

### Fall 2023 Grant Award

#### Recommendation

1. That a grant funding affordable housing agreement between the City of Edmonton and Williams Hall Ltd. for an amount not to exceed \$6,500,000 as outlined in Attachment 2 of the November 1, 2023, Community Services report CS01753, 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 12621665 Canada Association for an amount not to exceed \$9,015,000 as outlined in Attachment 4 of the November 1, 2023, Community Services report CS01753, 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 Jasper Place Wellness Centre for an amount not to exceed \$341,000 as outlined in Attachment 6 of the November 1, 2023, Community Services report CS01753, 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 Jasper Place Wellness Centre for an amount not to exceed \$406,000 as outlined in Attachment 8 of the November 1, 2023, Community Services report CS01753, 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 Jasper Place Wellness Centre for an amount not to exceed \$409,000 as outlined in Attachment 10 of the November 1, 2023, Community Services report CS01753, be approved, and that the agreement be in form and content acceptable to the City Manager.

<b>Requested Action</b>	Decision required		
<b>ConnectEdmonton's Guiding Principle</b>	<b>ConnectEdmonton Strategic Goals</b>		
<b>CONNECTED</b> This unifies our work to achieve our strategic goals.	<b>Urban Places</b>		
<b>City Plan Values</b>	LIVE		
<b>City Plan Big City Move(s)</b>	A community of	<b>Relationship to Council's Strategic</b>	Community safety and

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	communities Inclusive and compassionate	<b>Priorities</b>	well-being
<b>Corporate Business Plan</b>	Transforming for the future		
<b>Council Policy, Program or Project Relationships</b>	<ul style="list-style-type: none"> <li>• City Policy 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>• August 31, 2020, Citizen Services report CR_7846, Affordable Housing Investment Program - 2020 Grant Award Recommendation</li> <li>• September 21, 2020, Citizen Services report CR_8415, Reimbursement Funding Agreements for Affordable Housing Developments - Baranow Villa III and Westwood Apartment</li> <li>• May 27, 2021, Community Services report CS00432, Affordable Housing Investment Program - Spring 2021 Grant Award Recommendation</li> <li>• February 16, 2022, Community Services report CS00897, Affordable Housing Investment Program - Winter 2022 Grant Award Recommendation</li> <li>• September 7, 2022, Community Services report CS01304, Affordable Housing Investment Program - Summer 2022 Grant Award Recommendation</li> </ul>		

### Executive Summary

- The Affordable Housing Investment Program provides grant funding to incentivize affordable housing development and help the City reach the goal of creating 2,700 affordable housing units across Edmonton between 2023 and 2026.
- Administration recommends granting \$16.7 million in funding to support five affordable housing developments that would result in the construction of 276 new units (426 bedrooms) 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, with 67 units offered at 50 per cent of average market rent.
- Funding is available through the City's existing Affordable Housing Reserve and tax levy budget.
- The City's funding investment of \$16.7 million would help generate a total of \$122.3 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 sources totalling \$105.3 million.

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- The proposed developments would provide safe, affordable and sustainable housing for people experiencing homelessness, Indigenous peoples, students, low-income families and women and children.
- 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.
- A report recommending projects under the new Indigenous housing stream will be presented to Council in early 2024 (CS01752 Indigenous Housing Grant Program - Grant Award Recommendations, Executive Committee, date TBD).

## **REPORT**

The City aims to create 2,700 new or renovated affordable housing units across Edmonton between 2023 and 2026. 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, in alignment with City Policy C601 - Affordable Housing Investment Guidelines. 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 20 per cent which enhances the developments' environmental and long-term operational sustainability.

The latest grant intake period ran from March 29 to July 7, 2023. To notify potential applicants, 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 a total of five applications for new affordable housing builds from three organizations. The total funding request was a \$16.7 million contribution from the City to support \$122.3 million in total proposed capital expenditure and would add 276 new affordable housing units.

The five applications recommended for funding would provide people from all backgrounds the opportunity to live in a safe and affordable home. All applications were found to be in strong alignment regarding project affordability, as well as the people it was looking to serve by focusing on marginalized groups that are identified as priorities by Canada Mortgage and Housing Corporation (CMHC)<sup>1</sup>, as well as the City's own housing needs assessment<sup>2</sup>. By supporting these applications, the Program aims to help reduce barriers to housing equity in Edmonton.

### **Williams Hall Ltd. - Downtown**

Williams Hall Ltd. is proposing to rehabilitate the former YMCA Edmonton Downtown Centre at 10030 102A Avenue NW to create 90 new, near-market affordable rental units (90 bedrooms) for low-income young adults struggling to pay market rent. Williams Hall Ltd. will work with Youth Agency Collaboration and Boyle Street Community Services who will refer eligible tenants to the units. The units will be offered at a maximum of 80 per cent of average market rents. This project

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<sup>1</sup> "2SLGBTQIA+ Housing Needs and Challenges." <https://www.cmhc-schl.gc.ca/en/blog/2022/2slgbtqia-housing-needs-challenges>. Canadian Mortgage and Housing Corporation.

<sup>2</sup> [edmonton.ca/sites/default/files/public-files/assets/PDF/Housing-Needs-Assessment-August-2022.pdf](https://edmonton.ca/sites/default/files/public-files/assets/PDF/Housing-Needs-Assessment-August-2022.pdf)

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would be the first affordable housing project located in the downtown neighbourhood to receive grant funding through this grant program.

The estimated construction budget for the entire rehabilitation project is approximately \$35 million. The applicant has applied for \$6,500,000 from the City to offset capital costs for the 90 units. In exchange for the City's contribution, Williams Hall Ltd. would provide 20 years of affordable housing use. The applicant is also pursuing funding from CMHC's National Housing Co-Investment Fund and the Government of Alberta's Affordable Housing Partnership Program.

As Williams Hall Ltd. does not have sufficient financial history, Administration would also obtain a guarantee agreement from one or more third-party corporate entities to satisfy the City's program and due diligence requirements, with recourse in the event of default by Williams Hall Ltd.

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

### **12621665 Canada Association - Edgemont**

12621665 Canada Association is currently constructing two apartment buildings at 5315 Edgemont Boulevard, with 150 of the 334 residential units to be provided for affordable housing use for 20 years. Of the 150 affordable units (300 bedrooms), 67 units would be provided to eligible tenants at a maximum of 50 per cent of average market rents and 83 units would be provided to eligible tenants at a maximum of 79 per cent of average market rents.

12621665 Canada Association is collaborating with Leston Holdings (1980) Ltd. ("Leston"), which will provide management and operation of the property. Leston has more than 3,000 units under management, purchase, and/or renovation within the past decade.

The development also involves collaboration amongst 12621665 Canada Association, Leston, Enoch Cree Nation, and Skills Society - Supporting the Citizenship of People with Disabilities, with the referrals of a range of tenants, including Indigenous people, people with disabilities, new immigrants, seniors, and single parents.

The estimated construction budget for the project is approximately \$82.7 million, with the affordable portion accounting for approximately \$37.6 million. The applicant has applied for \$9,015,000 from the City to offset capital costs for the 150 affordable units. The applicant has also been approved funding from CMHC's National Housing Co-Investment Fund and private donations. Attachment 3 contains further details of this development.

As 12621665 Canada Association does not have sufficient financial history, Administration would also obtain a guarantee agreement from a third-party corporate entity to satisfy the City's program and due diligence requirements, with recourse in the event of default by 12621665 Canada Association.

Attachment 4 contains the proposed general terms and conditions of the grant funding affordable housing agreement.

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### **Jasper Place Wellness Centre - Spruce Avenue and Glenwood Developments**

Jasper Place Wellness Centre (JPWC) is constructing three, 12-unit bridge healing transitional accommodation buildings at 11302 97 Street in Spruce Avenue and 16026 and 16030 100 Avenue NW in Glenwood (36 units and 36 bedrooms in total). JPWC owns the two Glenwood properties and has an executed purchase agreement with the owner of the Spruce Avenue property, which will close upon construction completion. The developments will provide transitional housing units to people experiencing homelessness who have been discharged from Edmonton hospital emergency departments and referred by Alberta Health Services (AHS) staff.

The programming offered at each of the three buildings is designed to improve health outcomes for those needing transitional care and help residents transition to appropriate community supports, such as housing, physical health, mental health and addiction services, supported by 24/7 on-site staff. The units will remain affordable for 40 years with amounts charged to occupants not to exceed 80 per cent of average market rents.

The estimated construction budget for the Spruce Avenue building is \$1.4 million whereas the estimated budgets for the 16026 100 Avenue NW (16026) and 16030 100 Avenue NW (16030) buildings are approximately \$1.6 million each. The applicant has applied for \$341,000 in City funding for Spruce Avenue, \$406,000 for 16026 and \$409,000 for 16030.

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

Attachment 7 contains further details of the 16026 development and Attachment 8 contains the proposed general terms and conditions of the grant funding affordable housing agreement for the same.

Attachment 9 contains further details of the 16030 development and Attachment 10 contains the proposed general terms and conditions of the grant funding affordable housing agreement for the same.

### **Budget/Financial Implications**

The requested City contributions of up to \$16,671,000 would be provided through the Affordable Housing Investment Program funded from the City's existing tax levy budget and the Affordable Housing Reserve.

### **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. Executive Committee is able to approve these agreements and does not need to seek further Council approval.

### **Community Insight**

Housing security is critical to a healthy city. Edmontonians informed the City through previous public engagement efforts that greater affordable housing supply in the city is needed, as many

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people struggle to find an affordable home. Providing grant funding to support these five affordable housing developments through the Affordable Housing Investment Program would aid people by increasing the affordable housing supply in Edmonton. The City will support housing providers with efforts to share information about the developments with their new communities.

### **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 CMHC<sup>3</sup>, as well as the City's own housing needs assessment<sup>4</sup>. 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.

## **ATTACHMENTS**

1. Williams Hall Ltd. - Downtown Development Overview
2. Williams Hall Ltd. - Downtown Grant Funding Affordable Housing Agreement - General Terms and Conditions
3. 12621665 Canada Association - Edgemont Development Overview
4. 12621665 Canada Association - Edgemont Grant Funding Affordable Housing Agreement - General Terms and Conditions
5. Jasper Place Wellness Centre - Spruce Avenue Development Overview
6. Jasper Place Wellness Centre - Spruce Avenue Grant Funding Affordable Housing Agreement - General Terms and Conditions
7. Jasper Place Wellness Centre - 16026 100 Avenue NW (Glenwood) Development Overview
8. Jasper Place Wellness Centre - 16026 100 Avenue NW (Glenwood) Grant Funding Affordable Housing Agreement - General Terms and Conditions
9. Jasper Place Wellness Centre - 16030 100 Avenue NW (Glenwood) Development Overview
10. Jasper Place Wellness Centre - 16030 100 Avenue NW (Glenwood) Grant Funding Affordable Housing Agreement - General Terms and Conditions

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<sup>3</sup> "2SLGBTQIA+ Housing Needs and Challenges." <https://www.cmhc-schl.gc.ca/en/blog/2022/2slgbtqia-housing-needs-challenges>. Canadian Mortgage and Housing Corporation.

<sup>4</sup> [edmonton.ca/sites/default/files/public-files/assets/PDF/Housing-Needs-Assessment-August-2022.pdf](http://edmonton.ca/sites/default/files/public-files/assets/PDF/Housing-Needs-Assessment-August-2022.pdf)