

INDIGENOUS HOUSING GRANT PROGRAM

Grant Award Recommendations

Recommendation

That a grant funding affordable housing agreement between the City of Edmonton and Métis Capital Housing Corporation, for an amount not to exceed \$2,290,000, as outlined in Attachment 2 of the March 20, 2024, Community Services report CS01752, be approved, and that the agreement be in form and content acceptable to the City Manager.

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| Requested Action | Decision required | | |
| ConnectEdmonton's Guiding Principle | ConnectEdmonton Strategic Goals | | |
| CONNECTED This unifies our work to achieve our strategic goals. | Urban Places Healthy City | | |
| City Plan Values | LIVE | | |
| City Plan Big City Move(s) | A community of communities Inclusive and compassionate | Relationship to Council's Strategic Priorities | Community safety and well-being |
| Corporate Business Plan | Transforming for the future | | |
| Council Policy, Program or Project Relationships | <ul style="list-style-type: none"> • City Policy C601 - Affordable Housing Investment Guidelines • Bylaw 16620 - City Administration Bylaw • Affordable Housing Investment Program • City of Edmonton Indigenous Framework | | |
| Related Council Discussions | <ul style="list-style-type: none"> • August 31, 2020, Citizen Services report CR_7846, Affordable Housing Investment Program - 2020 Grant Award Recommendation • September 21, 2020, Citizen Services report CR_8415, Reimbursement Funding Agreements for Affordable Housing Developments - Baranow Villa III and Westwood Apartment | | |

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- May 27, 2021, Community Services report CS00432, Affordable Housing Investment Program - Spring 2021 Grant Award Recommendation
- February 16, 2022, Community Services report CS00897, Affordable Housing Investment Program - Winter 2022 Grant Award Recommendation
- September 7, 2022, Community Services report CS01304, Affordable Housing Investment Program - Summer 2022 Grant Award Recommendation
- November 1, 2023 Community Services report CS01753, Affordable Housing Investment Program - Fall 2023 Grant Award Recommendation

Executive Summary

- The Affordable Housing Investment Program provides grant funding to incentivize affordable housing development to help the City reach its goal of creating 2,700 affordable housing units across Edmonton between 2023 and 2026.
- The City created a funding stream specifically for Indigenous-owned and operated affordable housing in response to the recommendations of the Indigenous Affordable Housing Strategy (June 27, 2022, Community Services report CS00433, Indigenous Affordable Housing Strategy). A request for proposals was issued in March 2023, in which Indigenous-led housing providers could apply for up to 40 per cent of capital construction costs for new or refurbished affordable units.
- Administration recommends \$2.29 million in grant funding to support an Indigenous-led development that would result in the construction of 36 new units of affordable housing for seniors. All units would be offered to qualified tenants at a rate equivalent to a maximum of 80 per cent of average market rent.
- Funding is available through the City's existing Affordable Housing tax levy budget.
- The City's funding investment of \$2.29 million would generate a total of \$9.2 million in construction value and would contribute to the long-term supply of affordable housing in Edmonton.
- The proposed lodge would provide safe, affordable and sustainable housing for Indigenous seniors.

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 (AHIP) provides grant funding to eligible non-profit and private sector entities, targeting shovel-ready proposals to encourage affordable housing development in alignment with City Policy C601 - Affordable Housing Investment Guidelines.

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The City is committed to advancing reconciliation and responding to the need for culturally appropriate affordable and supportive housing for Indigenous individuals and families. In 2023, the City launched the Indigenous-led Housing stream of the AHIP to encourage the construction of more Indigenous-led affordable housing in Edmonton. Grants from the stream provide up to 25 per cent of the capital costs of newly constructed or rehabilitated affordable housing developments and up to 40 per cent where developments exceed affordability and energy efficiency requirements, and provide larger unit sizes.

The inaugural grant intake period ran from March 29 to August 12, 2023. To notify potential applicants, Administration sent a news release at the beginning of the grant intake period to indicate that applications were open and advertised on various media platforms. Radio ads in English, Blackfoot and Cree were also broadcast on the Windspeaker network across Alberta to reach communities and organizations that may otherwise be unaware of the City's programs.

During this intake period, seven inquiries regarding the Indigenous Housing Grant Program were received and five of those resulted in formal pre-application meetings. Three organizations were deemed eligible to apply following the meetings and submitted applications. The total funding request for the applications was a \$10.6 million contribution from the City to support \$27 million in total proposed capital expenditure and would add 83 new affordable housing units. One application was not recommended for funding as it failed the required financial assessment and another application postponed their submission to the next round of funding to finalize their development plans. Administration anticipates the second round of funding will be released in March 2024.

Administration is recommending that one application, from Métis Capital Housing Corporation, receive funding.

Métis Capital Housing Corporation - Nihgi Seniors Lodge Redevelopment

Métis Capital Housing Corporation is proposing to construct a new seniors lodge on the site of its former Nihgi Seniors Lodge at 11935 65 Street NW in the Montrose neighbourhood. The land is zoned Small Scale Residential (RS), which permits the proposed lodge, and is situated within walking distance to daily needs such as grocery stores, pharmacies, restaurants, Edmonton Transit Service routes and the Edmonton Public Library.

The new lodge will create 36 new, near-market affordable bedroom rental units for low-income Indigenous seniors. Residents will have access to a common dining area for sharing meals. Social programs, such as bingo, group exercise and cultural activities, will be provided by on-site staff. The units will be offered at a rate equivalent to a maximum of 80 per cent of average market rents. The lodge will target a 20 per cent decrease in operating energy consumption and greenhouse gas emissions relative to the 2017 National Energy Code for Buildings.

The estimated construction budget for the entire project is approximately \$9.2 million. The applicant applied for \$3.67 million from the City to offset capital costs for the 36 units, however, this is over 25 per cent of the capital costs, which is the maximum eligible for this project as it did not meet the additional requirements to be considered for a contribution of up to 40 per cent.

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The requirements that were not met are outlined in the Indigenous Housing Grant Guide¹ and include energy targets being less than 25 per cent, percentage of units being two-bedroom or larger, etc. As a result, the grant amount recommended is \$2.29 million, representing a City contribution of up to 25 per cent of capital costs. In exchange for the City's contribution, Métis Capital Housing Corporation will enter into an affordable housing agreement with the City for a 40-year term. The lodge is in the planning stages and is expected to commence construction in 2024 with a 13-month construction period.

This application meets the requirements for project affordability and will meet the needs of people who are overrepresented among those in core housing need (Indigenous seniors) according to the City's Housing Needs Assessment². By supporting this application, the Program aims to help reduce barriers to housing equity in Edmonton for Indigenous peoples.

Attachment 1 contains details on the location and development drawings. Attachment 2 contains the proposed general terms and conditions of the grant funding affordable housing agreement.

Administration plans to launch the next round of the program in March 2024. Administration will continue to work with all organizations that reach out on the first round of funding to ensure that they are in a better position for a successful application moving forward.

Budget/Financial Implications

The requested City contribution of up to \$2.29 million would be provided through the Affordable Housing Investment Program (AHIP) funded from the City's existing tax levy budget. The annual budget for AHIP is \$20 million, of which \$5 million is allocated to Indigenous housing projects. The \$2.29 million proposed funding for the Métis Capital Housing Corporation project equates to 12 per cent of the total 2024 AHIP budget and 46 per cent of the Indigenous housing related portion.

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

Through the Housing Needs Assessment, vulnerable Edmontonians shared the negative impact that a shortage of safe, adequate and affordable housing has had on their lives. In 2022, more than 3,700 Edmontonians participated in a public engagement survey seeking to better understand community members' affordable housing priorities. Findings from this survey indicate that the majority of those who participated agree that affordable housing makes Edmonton a better place to live and identified that their top three priorities for municipal investment in housing are increasing support services for people once housing has been

¹ <https://www.edmonton.ca/sites/default/files/public-files/IndigenousHousingGrantGuide.pdf>

² <https://www.edmonton.ca/sites/default/files/public-files/CoE-HousingNeedsAssessment2023.pdf?cb=1707339560>

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obtained, increasing affordable housing supply and increasing homelessness prevention services. Providing grant funding to support this affordable housing development for Indigenous seniors through the Affordable Housing Investment Program would aid people by increasing the affordable housing supply in Edmonton.

Métis Capital Housing Corporation has begun the community engagement process, with community engagement sessions planned for in the coming months to ensure the new facility meets the community's specific needs. The City will support Métis Capital Housing Corporation with efforts to share information about the lodge with the Montrose community.

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 and impacts those seeking affordable housing as it increases the supply of such housing units.

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 process exclusively focused on low-income Indigenous people, who are identified as a priority by the Canadian Mortgage and Housing Corporation³, 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.

Attachments

1. Métis Capital Housing Corporation - Nihgi Seniors Lodge Redevelopment Overview
2. Métis Capital Housing Corporation - Nihgi Seniors Lodge Redevelopment Grant Funding Affordable Housing Agreement - General Terms and Conditions

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