

AFFORDABLE HOUSING SITE - SALE OF LAND BELOW MARKET VALUE AND GRANT FUNDING - PARKDALE RESIDENTIAL

Recommendation

That the sale of land in Parkdale, Lots 1 to 3, Block 4, Plan 5850R, as outlined in Attachment 1 of the August 28, 2024, Financial and Corporate Services report FCS02515, to Jasper Place Wellness Centre, on the terms and conditions outlined in Attachment 2 of the August 28, 2024, Financial and Corporate Services report FCS02515, be approved, and that the agreement(s) be in form and content acceptable to the City Manager.

Requested Action	Committee decision required		
ConnectEdmonton's Guiding Principle	ConnectEdmonton Strategic Goals		
CONNECTED This unifies our work to achieve our strategic goals.	Urban Places		
City Plan Values	LIVE		
City Plan Big City Move(s)	Inclusive and compassionate	Relationship to Council's Strategic Priorities	Community safety and well-being
Corporate Business Plan	Serving Edmontonians		
Council Policy, Program or Project Relationships	<ul style="list-style-type: none"> • Climate Resilience Policy (C627) • Public Engagement Policy (C593A) • City Land Assets for Non-Profit Affordable Housing (Council Policy C437A) • Affordable Housing Investment Guidelines (C601) 		
Related Council Discussions	<ul style="list-style-type: none"> • November 1, 2023, Community Services report CS_01753, Affordable Housing Investment Program Fall 2023 Grant Award 		

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Executive Summary

- The sale of the Parkdale site will enable the Jasper Place Wellness Centre to develop the site for affordable housing. The Jasper Place Wellness Centre proposal would see approximately 24 supportive housing units built, contributing to the City's housing goals. Jasper Place Wellness Centre will be required to enter into an Affordable Housing Agreement as a condition of the sale.
- An affordable housing grant of up to \$900,000, which falls within Administration's delegated authority under Bylaw 16620 - City Administration Bylaw, will be available to assist in the site's development. The City's land and grant contribution will assist Jasper Place Wellness Centre in keeping rents affordable (targeting below \$400 per month or 42 per cent of market rents) and in pursuing additional funding and/or financing from other levels of government.
- Executive Committee approval is required as the proposed below market value sale is outside of Administration's delegated authority.

REPORT

The site at 8116-115 Avenue NW had been listed for sale on the City of Edmonton website for 18 months prior to Jasper Place Wellness Centre approaching the City on the potential to purchase the land below market value under Council Policy - C437A City Land Assets for Non-Profit Affordable Housing. The proposed affordable housing development site is a former bus turn around lot that is zoned Medium Scale Residential RM h16 in the Parkdale neighbourhood, which has a 10.8 per cent non-market affordable housing ratio as per the City's Non-Market Housing Inventory; 39 per cent of renter households in this neighborhood are in Core Housing Need.

Jasper Place Wellness Centre intends to build two, 12-unit buildings on the site. The building form, known as a "Healing House" is the same as the Bridge Healing Transitional housing that Jasper Place Wellness Centre operates in the Glenwood neighbourhood. The Healing House building design allows for small self-contained units that have access to shared facilities and can support many forms of housing along the spectrum including permanent supportive housing, transitional housing, near market housing or market housing. Pending funding agreements with other levels of government, Jasper Place Wellness Centre plans to operate these as permanent supportive housing or transitional housing. To secure operational funding, Jasper Place Wellness Centre must first be the owner of the land or have a conditional sales agreement in place.

For Jasper Place Wellness Centre to develop potential supportive housing on this site, a grant on top of a land sale below market value is needed to make the project viable. The expected cost of development on this site is estimated to be approximately \$5 million. An affordable housing grant of up to \$900,000 will be available to assist in the development of the site. The full amount of the \$900,000 will be conditional to the development being transitional or supportive housing. The total grant amount will be determined once all grant contributions and financing parameters are set. The land and grant contribution of the City will assist Jasper Place Wellness Centre in keeping rents low (targeting below \$400 per month) and meet the requirements necessary to pursue additional funding and/or financing from other levels of government and philanthropic organizations.

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Jasper Place Wellness Centre

Jasper Place Wellness Centre, established in 2006, oversees over 200 units of housing spanning various affordability levels and building designs. The Healing House building design integrates insights from its history in operating various housing and housing first programs. Currently, Jasper Place Wellness Centre has developed three buildings (36 units) in this design that are in operation. Two more Healing House design buildings are currently in construction.

The appeal of the Healing House building design is:

- the ability to function along the housing spectrum;
- the common spaces within allowing the development of community for tenants;
- the ability to bring density to established neighborhoods on standard lots (12 units under a supportive housing use); and
- the value of securing supportive/affordable housing at a low per door cost.

Jasper Place Wellness Centre with the support of local philanthropists, are planning a portfolio approach to develop another 20 buildings. Jasper Place Wellness Centre intends to position the building at the 8116 - 115 Avenue NW site as a proof of concept of this portfolio approach where the City's contribution will help solidify the project to attract other levels of government funding and stimulate philanthropic donations. For the 8116 - 115 Avenue site, Jasper Place Wellness Centre is working with the Edmonton Chamber of Commerce and Royal Alexandra Hospital Foundation on fundraising and has already secured a number of private donors, dependent on the ability of Jasper Place Wellness Centre to secure the land.

Next Steps:

If the recommendations are approved, Administration will execute the Sale Agreement(s). The City and Jasper Place Wellness Centre will work toward fulfilling the conditions precedent, including execution of the Affordable Housing Agreement(s), and closing the transaction by Q2 2025. It is anticipated that construction may commence by Q3 2025.

Budget/Financial Implications

The market value of the site is approximately \$734,000. Since 2015, City Council has approved below market value land sales to non-profit housing providers with cumulative market values totalling \$38 million. The ongoing operating expenses will be the responsibility of Jasper Place Wellness Centre.

City contributions of up to \$900,000 will come from the Housing Accelerator Fund. The unique design elements of these buildings, the speed of developing new supportive/affordable housing in the next three years and the ability to pilot a new philanthropic approach align with the goals of scaling of the housing sector identified under the "Capacity Building of the Affordable Housing Sector" action of Edmonton's Housing Accelerator Fund action plan.

Legal Implications

As per section 70(2) of the *Municipal Government Act*, a disposition of land for below market value does not need to be advertised if it is to be used by a non-profit organization as defined in

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section 241(f) of the *Municipal Government Act*. As the proposed approval is for the disposition of the land to a non-profit organization, advertising is not required.

Section 35 of Bylaw 16620 - City Administration Bylaw enables the City Manager to approve agreements for disposition of a fee simple interest in land for fair market value or more, up to certain monetary limits. Approval is needed as this disposition will be below fair market value.

Section 651.3 of the *Municipal Government Act*, as modified by the *City of Edmonton Charter Regulation*, enables the City to enter into an affordable housing agreement and register the agreement by way of caveat on title.

Community Insight

The City of Edmonton creates opportunities for the development of affordable housing by assisting non-profit organizations through the land development process. As part of this work, the City may provide land, capital funding and organizational support. Public engagement typically takes place around zoning changes, if required. Like any other residential project, zoning regulates the built form and permitted uses, so community approval is not necessary to determine the location, design, type of housing or cost to tenants.

The City proactively shares information about new affordable housing developments with communities. As a project progresses, the developer/operator may decide to hold additional meetings, distribute project information and find other ways to build relationships with the community. This is intended to help build relationships and ensure the long-term success of each project. Among other things, the sale agreement is conditional on the purchaser providing a communications and engagement plan to the City's satisfaction.

The Parkdale Parcel was listed on the City of Edmonton's property sale webpage in August 2022. Additionally, an email was sent to everyone subscribed to the City's Land Sale Mailing List notifying them that the subject property was now for sale. After 18 months on the market, developers/buyers expressed limited interest in constructing a market-value development on site.

GBA+

Housing is a significant barrier for anyone who lacks personal references, employment or has limited resources, compelling them to stay in living arrangements that do not meet their needs for stable and secure housing. This is especially so for those who have experienced or are currently experiencing homelessness, which are the priority population targeted by the Healing House buildings on the Parkdale site.

The design of the Healing House buildings is based on the Eden Alternative, which shows that 10 to 12 people living together creates a sense of community that helps to remove issues seen in larger institutional housing such as loneliness, helplessness and boredom. Through these designs with smaller occupancy limits, the buildings can replicate a 'home-like' feeling and environment. This provides many benefits, such as less social isolation, stronger relationships and behavioural changes like minimizing substance use.

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Overall, the Healing House buildings constructed on the Parkdale site will align with The City Plan goal of creating a healthy, urban, climate-resilient city where all Edmontonians have access to housing that meets their needs.

Attachments

1. Parkdale Site Plan
2. Parkdale - Sales Agreement(s) Terms and Conditions