

AFFORDABLE HOUSING INVESTMENT PROGRAM - FALL 2024 GRANT AWARD

Recommendation

1. That Attachments 15 and 16 of the September 18, 2024, Community Services report CS02527 remain private pursuant to sections 16 (disclosure harmful to business interests of a third party) and 27 (privileged information) of the *Freedom of Information and Protection of Privacy Act*.
2. That Executive Committee recommend to City Council:
 - a. That \$6,150,000 be transferred from Capital Profile 19-90-4100 Affordable Housing Land Acquisition & Site Development to the 2024 Social Development branch operating budget to fund the projects outlined in Attachments 4 and 6.
 - b. That a grant funding affordable housing agreement between the City of Edmonton and 1654889 Alberta Ltd. for an amount not to exceed \$3,100,000 as outlined in Attachment 4 of the September 18, 2024, Community Services report CS02527, be approved, and that the agreement be in form and content acceptable to the City Manager.
 - c. That a grant funding affordable housing agreement between the City of Edmonton and 1654889 Alberta Ltd. for an amount not to exceed \$3,050,000 as outlined in Attachment 6 of the September 18, 2024, Community Services report CS02527, be approved, and that the agreement be in form and content acceptable to the City Manager.
 - d. That a grant funding affordable housing agreement between the City of Edmonton and 12621665 Canada Association for an amount not to exceed \$5,200,000 as outlined in Attachment 2 of the September 18, 2024, Community Services report CS02527, be approved, and that the agreement be in form and content acceptable to the City Manager.
 - e. That a grant funding affordable housing agreement between the City of Edmonton and Apadana Womens' Housing Ltd. for an amount not to exceed \$2,100,000 as outlined in Attachment 8 of the September 18, 2024, Community Services report CS02527, be approved, and that the agreement be in form and content acceptable to the City Manager.

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- f. That a grant funding affordable housing agreement between the City of Edmonton and Brentwood Family Housing Society for an amount not to exceed \$2,300,000 as outlined in Attachment 10 of the September 18, 2024, Community Services report CS02527, be approved, and that the agreement be in form and content acceptable to the City Manager.
- g. That a grant funding affordable housing agreement between the City of Edmonton and Jasper Place Wellness Centre for an amount not to exceed \$900,000 as outlined in Attachment 12 of the September 18, 2024, Community Services report CS02527, be approved, and that the agreement be in form and content acceptable to the City Manager.
- h. That a grant funding affordable housing agreement between the City of Edmonton and Veterans' House Canada for an amount not to exceed \$2,510,000 as outlined in Attachment 14 of the September 18, 2024, Community Services report CS02527, be approved, and that the agreement be in form and content acceptable to the City Manager.
- i. That Attachments 15 and 16 of the September 18, 2024, Community Services report CS02527 remain private pursuant to sections 16 (disclosure harmful to business interests of a third party) and 27 (privileged information) of the *Freedom of Information and Protection of Privacy Act*.

Requested Action		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)	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 		
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 ● May 27, 2021, Community Services report CS00432, Affordable Housing Investment Program - Spring 2021 Grant Award Recommendation 		

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- 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
- March 20, 2024, Community Services report CS01752, Indigenous Housing Grant Program - Grant Award Recommendations Council Report
- August 28, 2024, Financial and Corporate Services FCS02515, Affordable Housing Site - Sale of Land Below Market Value - Parkdale Residential

Executive Summary

- The Affordable Housing Investment Program provides grant funding to incentivize affordable housing developments and to help the City reach the goal of creating 2,700 affordable housing units across Edmonton between 2023 and 2026.
- Administration recommends granting \$19.2 million in funding to support five affordable housing, one supportive housing and one transitional housing developments that would result in the construction of 275 new units (407 bedrooms) and 22 rehabilitated units (22 bedrooms) of affordable housing in Edmonton. All units included in this round would be offered to qualified tenants at various rental rates, ranging from rent-gear-to-income (RGI) to 80 per cent of average market rents.
- Funding is available through the City's existing Affordable Housing Reserve and the operating budget within the Social Development Branch.
- The City's funding investment of \$19.2 million would help generate a total of up to \$130.4 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 \$86.1 million. Organization contributions, including funds secured through borrowing, make up the remaining \$25.1 million of construction investment.
- The proposed developments would provide safe, affordable and sustainable housing for people experiencing homelessness, Indigenous peoples, veterans, low-income families and women and children fleeing domestic violence.
- 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 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

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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 December 11, 2023 to April 19, 2024. To notify potential applicants of the new intake, 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 16 applications for new affordable housing builds from 12 organizations. The total funding request was a \$37.7 million contribution from the City to support \$236.2 million in total proposed capital expenditures and would add 417 new and 55 rehabilitated affordable housing units. The total funding request exceeded the remaining program budget by approximately \$18.5 million, which is the largest amount that an intake round has been oversubscribed to date. In order to meet the program's budget requirements, seven of the 16 total applications are being recommended for funding.

The seven 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)¹, as well as the City's own housing needs assessment². By supporting these applications, the Program aims to help reduce barriers to housing equity in Edmonton and it will bring the total committed units to date to 2,786 surpassing the 2,700 unit target for 2023-2026. Despite the progress being made, the 2023 Housing Needs Assessment shows that over 46,000 households are living in Core Housing Need. It is also important to note that 1,955 out of the 2,786 units committed to date are rehabilitation of existing affordable housing units which does not add to the housing inventory but are crucial in maintaining the number of affordable housing units in Edmonton. The City will support housing providers with efforts to share information about the developments with their new communities.

12621665 Canada Association - Heritage Valley Town Centre

12621665 Canada Association is currently constructing an apartment building at 11803 30 Avenue SW in Heritage Valley Town Centre, with 104 of the 169 residential units to be provided for affordable housing use for 40 years. Of the 104 affordable units (208 bedrooms): 34 units would be provided to eligible tenants at a maximum of 49 per cent of average market rents and 70 units would be provided to eligible tenants at a maximum of 80 per cent of average market rents. Twenty-three of the 104 affordable units will be barrier-free. This is the organization's second building on the property, with the first being approved for Affordable Housing Investment

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

² edmonton.ca/sites/default/files/public-files/assets/PDF/Housing-Needs-Assessment-August-2022.pdf

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Program grant funding on February 22, 2022 (City Council meeting, CS00897 Affordable Housing Investment Program - Winter 2022 Grant Award Recommendation).

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 \$47.1 million, with the affordable portion accounting for approximately \$30.6 million. The applicant is being recommended to receive \$5.2 million in funding from the City to offset capital costs for the 104 affordable units. The applicant has also received funding approval from the CMHC's National Housing Co-Investment Fund (now known as the Affordable Housing Fund) and MLI Select (CMHC multi-unit mortgage loan insurance) totalling \$35.8 million.

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

1654889 Alberta Ltd. - McCauley

1654889 Alberta Ltd., a Homeward Trust Edmonton (HTE) holding company, is proposing to construct 36 new permanent supportive housing units (36 bedrooms) for people experiencing homelessness or at risk of homelessness at 9338 107A Avenue NW. HTE will refer eligible tenants to the units. The units will be RGI, where tenants will not pay more than 30 per cent of their income on rent and the entire building, including all units, will be barrier-free. As development progresses, HTE will select a non-profit organization to operate the building following construction completion.

The estimated construction budget for the entire development is approximately \$12.5 million. The applicant is being recommended to receive \$3.1 million in grant funding from the City to offset capital costs for the 36 units. In exchange for the City's contribution, 1654889 Alberta Ltd. would provide 40 years of permanent supportive housing use. The applicant is also pursuing funding from CMHC's Seed Funding Program and Affordable Housing Fund.

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

1654889 Alberta Ltd. - Oliver (Wihkwêntôwin)

1654889 Alberta Ltd. is also proposing to construct 36 new permanent supportive housing units (36 bedrooms) for people experiencing homelessness or at risk of homelessness at 10029 114 Street NW. HTE will refer eligible tenants to the units. The units will be RGI, where tenants will not pay more than 30 per cent of their income on rent and the entire building, including all units, will be barrier-free. As development progresses, HTE will select a non-profit organization to operate the building once it is operational.

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The estimated construction budget for the entire development is approximately \$12.2 million. The applicant is being recommended to receive \$3.05 million in grant funding from the City to offset capital costs for the 36 units. In exchange for the City's contribution, 1654889 Alberta Ltd. would provide 40 years of permanent supportive housing use. The applicant is also pursuing funding from CMHC's Seed Funding Program and Affordable Housing 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.

Apadana Womens' Housing Ltd. - Downtown

Apadana Womens' Housing Ltd. (Apadana) is proposing to rehabilitate and expand its existing building Downtown to create 22 rehabilitated and 7 new, near-market affordable rental units (29 bedrooms) for women in need of affordable housing. Eligible tenants are typically self-referred, however, some are referred by social workers. Tenants in the existing units that will undergo rehabilitation will be temporarily housed within Brentwood Community Development Group's affordable housing inventory until construction is completed.

The units will be offered at a maximum of 80 per cent of average market rents and two of the 29 affordable units will be barrier-free. This project would be the second affordable housing project located Downtown to receive grant funding, with the first being Williams Hall Ltd. on November 1, 2023 (CS01753 Affordable Housing Investment Program - Fall 2023 Grant Award Recommendation).

The estimated construction budget for the entire rehabilitation and expansion project is approximately \$10.9 million. The applicant is being recommended to receive \$2.1 million in grant funding from the City to offset capital costs for the 29 units. In exchange for the City's contribution, Apadana would provide 40 years of affordable housing use. The applicant is also pursuing funding from various CMHC programs and the Government of Alberta's Community Initiatives Program.

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

Brentwood Family Housing Society - Woodcroft

Brentwood Family Housing Society is proposing to construct a 69-unit mixed-market, low-rise apartment building as the first phase of a multi-phased development at 13503 115 Avenue NW. This first phase would dedicate 28 units as near-market affordable rental units (56 bedrooms) for low-income families. Brentwood Family Housing Society will work with Terra Centre who will refer eligible tenants to the units. Seven units will be offered at a maximum of 60 per cent of average market rents and 21 units will be offered at 70 per cent of average market rents.

The estimated total cost for this project is approximately \$25.1 million, with an affordable capital cost of \$10.2 million. The applicant is being recommended to receive \$2.3 million in grant funding from the City to offset capital costs for the 28 units. In exchange for the City's contribution, Brentwood Housing Society would provide 40 years of affordable housing use. The applicant is

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also pursuing funding from CMHC's Affordable Housing Fund and the Government of Alberta's Affordable Housing Partnership Program.

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

Jasper Place Wellness Centre - Parkdale

Jasper Place Wellness Centre (JPWC) is constructing two, 12-unit "bridge healing" design transitional accommodation buildings at 11403 82 Street NW in Parkdale (24 units and 24 bedrooms in total). JPWC has an executed purchase agreement with the owner of the 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 building 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. JPWC is targeting rents to be tied to income at a level well below the 80 per cent maximum but that is reliant on the ability to secure operational subsidies, and/or additional capital funding through grants and philanthropic donations.

The estimated construction budget for two buildings is \$4.4 million. The applicant is being recommended to receive \$900,000 in grant funding from the City to partially offset capital costs for the 24 units. The applicant is also pursuing funding from the Government of Alberta's Affordable Housing Partnership Program.

Attachment 11 contains further details of this development. Attachment 12 contains the proposed general terms and conditions of the grant funding affordable housing agreement.

Veterans' House Canada - Athlone

Veterans' House Canada (VHC) is proposing to construct 40 permanent supportive housing units (40 bedrooms) for homeless veterans of the Canadian Armed Forces. The proposed development is located at 13007 128 Avenue NW on a property sold to VHC by the City for below market value (December 6, 2023 Executive Committee report FCS02105 Affordable Housing Site - Sale of Land Below Market Value - Athlone Residential). The units will be offered at a maximum of 56 per cent of average market rents and the entire building, including all units, will be barrier-free.

The estimated construction budget for the entire project is approximately \$15.2 million. In addition to the City's land contribution (Market Value - \$1.3 million), the applicant is being recommended to receive \$2.51 million in grant funding from the City to offset the capital costs for the 40 units. This would bring the City's total contribution to \$3.81 million, representing 25 per cent of the capital cost of the project. In exchange for the City's contribution, VHC would provide 40 years of permanent supportive housing use. VHC is approved for \$3.4 million from the Government of Alberta's Affordable Housing Partnership Program and \$1 million from private

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donations. VHC has also applied to CMHC for additional funding. The applicant is also pursuing funding from CMHC's Seed Funding Program and Affordable Housing Fund.

Attachment 13 contains further details of this development. Attachment 14 contains the proposed general terms and conditions of the grant funding affordable housing agreement.

Summarized financial tables for all the projects, detailing their total costs and funding, are included in private Attachment 16 pursuant to section 16 of the *Freedom of Information and Protection of Privacy Act*.

Budget/Financial Implications

The requested City contributions of up to \$18.26 million for recommendations b, c, d, e, f, g, h would be provided through the Affordable Housing Investment Program funded from the City's existing annual grant budget within the Social Development Branch and the Affordable Housing Reserve. Of the \$18.26 million, \$6.15 million is contingent upon Council approval of the transfer from Capital Profile 19-90-4100 Affordable Housing Land Acquisition & Site Development to the 2024 Social Development branch operating budget, as outlined above in the Recommendation.

The requested City contribution of \$900,000 under recommendation g for the JPWC bridge healing development would be provided through the existing Housing Accelerator Fund operating budget within the Social Development Branch. The unique design elements, the need to quickly build new supportive/affordable housing in the next three years and the ability to pilot a philanthropic approach, all aspects of the JPWC development, fit to the scaling of the sector principle under the "Capacity Building of the Affordable Housing Sector" action of Edmonton's Housing Accelerator Fund action plan.

Additional financial implications are included in private Attachment 15 pursuant to section 27 (privileged information) of the *Freedom of Information and Protection of Privacy Act*.

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 require 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 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

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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 CMHC³, as well as the City's own housing needs assessment⁴. 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.

Environment and Climate Review

There will be an overall net increase in greenhouse gas emissions due to the construction activities involved in developing the new affordable housing units as well as an ongoing GHG increase over time from the operation of the buildings. Construction for all of the units is estimated to take between one and two years for each project with the typical building operational lifespan expected to extend up to 100 years. As required by the Affordable Housing Investment Program, all projects approved for grant funding must achieve a minimum 20 per cent decrease in operating energy consumption and GHG emissions relative to the 2017 National Energy Code for Buildings (NECB). This target exceeds what is required under the 2020 National Energy Code for Buildings (NECB), which is the standard that all new construction within the City must meet to obtain a building permit. All seven projects recommended for funding will emit less GHG emissions than equivalent buildings that are only built to code minimum.

Few GHG emissions are expected from embodied carbon as only one of the seven projects requires the demolition of existing buildings -the Brentwood Family Housing Society development. The remaining six projects are located on existing vacant sites or are adding onto existing buildings, in the case of Apadana.

Attachments

1. 12621665 Canada Association - Heritage Valley Towne Centre Development Overview
2. 12621665 Canada Association - Heritage Valley Towne Centre Grant Funding Affordable Housing Agreement - General Terms and Conditions
3. 1654889 Alberta Ltd. - McCauley Centre Development Overview
4. 1654889 Alberta Ltd. - McCauley Centre 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.

⁴ edmonton.ca/sites/default/files/public-files/assets/PDF/Housing-Needs-Assessment-August-2022.pdf

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5. 1654889 Alberta Ltd. - Wíhkwêntôwin (Oliver) Development Overview
6. 1654889 Alberta Ltd. - Wíhkwêntôwin (Oliver) Grant Funding Affordable Housing Agreement - General Terms and Conditions
7. Apadana Womens' Housing Ltd. - Downtown Development Overview
8. Apadana Womens' Housing Ltd. - Downtown Grant Funding Affordable Housing Agreement - General Terms and Conditions
9. Brentwood Family Housing Society - Woodcroft Development Overview
10. Brentwood Family Housing Society - Woodcroft Grant Funding Affordable Housing Agreement - General Terms and Conditions
11. Jasper Place Wellness Centre - Parkdale Development Overview
12. Jasper Place Wellness Centre - Parkdale Grant Funding Affordable Housing Agreement - General Terms and Conditions
13. Veterans' House Canada - Athlone Development Overview
14. Veterans' House Canada - Athlone Grant Funding Affordable Housing Agreement - General Terms and Conditions
15. PRIVATE - Financial Implications
16. PRIVATE - Project Financial Details