

AFFORDABLE HOUSING SITE - SALE OF LAND BELOW MARKET VALUE - QUARTERS / BOYLE STREET RESIDENTIAL

Recommendation

That the sale of land in the Quarters / Boyle Street, Lots 20 to 23, Block 8, Plan D and Lots 32 to 35, Block 8, Plan D and a portion of the rear lane all as outlined in Attachment 1 of the October 30, 2024, Financial and Corporate Services report FCS02652, to Edmonton City Centre Church Corporation, on the terms and conditions outlined in Attachment 2 of the October 30, 2024, Financial and Corporate Services report FCS02652, 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) • Bylaw 20875 (closure of a portion of an alley) 		
Related Council Discussions	<ul style="list-style-type: none"> • July 3, 2024, Community Services report CS01759, City of Edmonton - Corporate Homelessness Plan 		

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Executive Summary

- Edmonton City Centre Church Corporation, known as e4c, has approached the City of Edmonton to purchase lands located between 102A Avenue and 103 Avenue, east of Kinistinaw Park at below market value.
- The Mixed Use-zoned site comprises eight residential lots and a portion of the alley between them.
- e4c's proposed development will include the construction of a purpose-built building that will provide transitional housing units, shelter beds, office and services spaces, a Women's Emergency Accommodation Centre and a Financial Management Hub.
- This transaction aligns with multiple Council policies, Big City Moves priorities in The City Plan, and the Homelessness and Housing Services Plan.
- To secure operational funding from other sources, e4c must first be the owner of the land or have a conditional sales agreement in place.
- The market value of the site is approximately \$3,067,000. Portions of the sites held in land inventory require funding of \$3,438,539 funded by the Affordable Housing Reserve. e4c will be required to enter into an Affordable Housing Agreement as a condition of the sale.
- Executive Committee approval is required as the proposed below-market value sale is outside of Administration's delegated authority. If the recommendation is approved, Administration will execute the sale agreement(s) and closing is anticipated by Q2 2025, with construction to begin by Q3 2025.

REPORT

The site comprises eight residential lots that are legally described as Lots 20 to 23, Block 8, Plan D (north half) and Lots 32 to 35, Block 8, Plan D (south half) and a portion of the alley between the north and south half. The alley was approved for closure under Bylaw 20875 at the August 19, 2024, City Council Public Hearing. Administration submitted Bylaw 20875, along with the required road closure and consolidation plan, to the Land Titles Office on September 20, 2024. The site is adjacent to Kinistinaw Park within the Boyle Street neighbourhood, in the area known as The Quarters Downtown. The site is zoned as Mixed Use (MU h23 f4.5), which includes supportive housing, food and drink services and office spaces as a permitted use.

Background Information

Edmonton City Centre Church Corporation, commonly known as e4c, has approached the City of Edmonton to purchase the lands located between 102A Avenue and 103 Avenue, east of Kinistinaw Park, at below market value, in accordance with Council Policy C437A - City Land Assets for Non-Profit Affordable Housing. The lands have been listed for sale on the City of Edmonton website for approximately 36 months.

e4c was incorporated in 1970 as a plan of action for helping Edmonton's vulnerable inner city population. Today, e4c is a non-profit, charitable organization that employs over 400 staff and supports over 19,000 Edmontonians each year.

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e4c focuses on four key initiatives to alleviate poverty:

- Food Security
- Shelter and Housing
- Community and Collaborations
- Education and Skills Development

Since 1992, e4c has been developing and operating affordable housing. Currently, e4c operates 13 affordable housing sites with both apartment style and residential home style buildings, providing a total of 98 units: 29 permanent supportive housing units and 69 independent living units.

Proposed Development

e4c's proposed development will include the construction of a purpose-built building that will provide the following services:

- An estimated 19 single-occupancy transitional housing units.
- Approximately 50 shelter beds.
- Office and services spaces for staff.
- Women's Emergency Accommodation Centre (WEAC).
- Financial Management Hub (future relocation space).
- Future pre-employment focused social enterprise, similar to The Hallway Café in City Hall.

e4c's proposed development is designed to provide direct access to the adjacent Kinitinaw Park, along with potential commercial frontage, which provides an active and engaging edge along the Park. These design features align with the urban design intentions for the Park and future developments in the surrounding area. Furthermore, Administration will ensure that any alley or footpath connections between the proposed development and the Park enhances safety and facilitates the usability of the Park.

Policy and Strategic Plan Alignment

This transaction is in accordance with the following Council Policies:

- C437A - City Land Assets for Non-Profit Affordable Housing
- C601 - Affordable Housing Investment Guidelines

Additionally, this transaction aligns with the following Big City Moves priorities in The City Plan:

- Rebuildable City
- Community of Communities
- Inclusive and Compassionate

The City's contribution of land to e4c also helps to implement Goal 2 of the Homelessness and Housing Services Plan, which Council approved on July 3, 2024 (Community Services report CS01759, City of Edmonton - Corporate Homelessness Plan)..

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One of the key performance measures identified for Goal 2 includes the City's commitment to funding a minimum of 150 bridge and transitional housing units by 2030; e4c's development will contribute 19 new transitional housing units.

Site Challenges

Lot 20, Block 8, Plan D (9549 - 103 Avenue) of the Site contains the Joseph Reed Residence, which is included in the Inventory of Historic Resources in Edmonton. This means that the structure merits conservation, but is not legally protected from demolition. The existing residential building was constructed in 1912 and is significant for its association with early residential development within the Boyle Street neighbourhood and for its association with Joseph H. Reed, a partner in Mitchell and Reed Auction House.

The City has advised e4c that the Joseph Reed Residence is eligible for designation as a Municipal Historic Resource and could include grant funding from the City, which would preserve the historic structure while accommodating new uses. However, e4c has indicated that they will need to demolish the Joseph Reed Residence to make their affordable housing development financially feasible. When a demolition permit application is submitted, the building will need to be properly documented, following the Municipal Historic Evaluation requirements of Section 7.140.6 of the Zoning Bylaw. As part of the Land Sales Agreement, e4c will be required to include a plaque, artwork or other item as part of the development to recognize the historic significance of the Joseph Reed Residence.

Next Steps

If the recommendation is approved, Administration will execute the sale agreement(s). The City and e4c will work toward fulfilling the conditions precedent, including execution of the Affordable Housing Agreement(s), and closing the transaction by Q2 2025. e4c anticipates construction can begin by Q3 2025.

Budget/Financial Implications

The market value of the site is approximately \$3 million. Since 2015, City Council has approved below market value land sales to non-profit housing providers with cumulative market values totalling \$41 million. Portions of the sites held in land inventory require funding of \$3.44 million to cover the cost of acquiring the land, which will be funded through the Affordable Housing Reserve, within the 2025 operating tax levy budget. The ongoing operating expenses for the proposed development will be the responsibility of e4c.

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 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.

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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 Quarters / Boyle Street Parcel was listed on the City of Edmonton's property sale webpage periodically since December 2020. Also, those subscribed to the City's Land Sale mailing list were notified that the subject property was now for sale. After 36 months on the market, developers/buyers expressed limited interest in constructing a market-value development on site.

e4c is already a community member within the Quarters area and believes this development is aligned with the City of Edmonton's vision for the revitalization of the Quarters. e4c has commenced engagement with the Chinatown Transformation Collaborative (CTC) and through the engagement, CTC, in principle, has confirmed support for this project. There will be more intentional engagement with the Chinatown community as the project develops.

The sale agreement is also conditional on e4c providing a public communications plan, for City approval, about the proposed development.

GBA+

GBA+ is embedded in all planning work for affordable housing and homelessness initiatives. For many Edmontonians, a major barrier to safe and adequate housing is cost. Those experiencing intersecting identity factors tend to experience additional barriers and discrimination. These groups include Indigenous peoples, racialized people, 2SLGBTQ+, recent immigrants, women and children fleeing domestic violence, female heads of households, adults aged 18-29, seniors aged 65+, people with physical health or mobility challenges, people with developmental disabilities, people dealing with mental health and addictions issues, veterans and people experiencing homelessness.

Housing is a significant barrier for anyone who lacks personal references, employment or has limited resources, compelling them to stay in living situations that do not meet their needs for safe, stable and secure housing. This issue is especially acute for those who have experienced or are currently experiencing homelessness, as they face compounded barriers that make finding and maintaining suitable housing extremely difficult. Affordable housing options provided by organizations like e4c are essential for low-income and vulnerable individuals who need stable and dignified housing solutions, and specialized support services.

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There is an over-representation of priority populations experiencing homelessness. Women and gender-diverse people make up approximately half of the population¹, who are the priority population targeted by the e4c.

Environment and Climate Review

This report was reviewed for environmental and climate risks. Based on the review completed no significant interactions with the City's environmental and climate goals were identified within the scope of this report.

Attachments

1. Quarters / Boyle Street Site Plan
2. Quarters / Boyle Street - Sales Agreement(s) Terms and Conditions
3. e4c Proposed Development Rendering

¹ Pg 17, City of Edmonton Affordable Housing Strategy 2023-2026