

INDIGENOUS HOUSING GRANT PROGRAM

Fall 2024 Grant Award Recommendations

Recommendation

That Executive Committee recommend to City Council:

1. That \$1,649,360 of Pay-As-You-Go funding 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 2, 4 and 6 of the November 27, 2024, Community Services report CS02589.
2. That a grant funding affordable housing agreement between the City of Edmonton and 2452743 Alberta Ltd. for an amount not to exceed \$5,250,000 as outlined in Attachment 2 of the November 27, 2024, Community Services report CS02589, 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 Métis Capital Housing Corporation for an amount not to exceed \$498,000 as outlined in Attachment 4 of the November 27, 2024, Community Services report CS02589, 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 Niginan Housing Ventures Inc. for an amount not to exceed \$2,520,000 as outlined in Attachment 6 of the November 27, 2024, Community Services report CS02589, be approved, and that the agreement be in form and content acceptable to the City Manager.

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	Relationship to Council's Strategic Priorities	Community safety and well-being

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	Inclusive and compassionate
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 • 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 • October 2, 2024 Affordable Housing Investment Program Fall 2024 Grant Award

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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 \$8.3 million in funding to support one transitional housing and two affordable housing developments that would result in the construction of 93 new units (152 bedrooms) of affordable housing in Edmonton. All units included in this round would be offered to qualified tenants at various rental rates, ranging from 32 per cent to 80 per cent of average market rents.
- Funding is available through the City's existing capital and operating budgets within the Social Development Branch and the Affordable Housing Reserve.
- The City's funding investment of \$8.3 million would help generate a total of up to \$73.7 million in construction value and contribute to the long-term supply of affordable housing in Edmonton. In addition to the City's investments towards these projects, the housing providers

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have secured, or are in the process of obtaining, additional funding from other sources totalling \$36.4 million. Organization contributions, including funds secured through borrowing, make up the remaining \$29 million of construction investment.

- The proposed developments would provide safe, affordable and sustainable housing for Indigenous people experiencing homelessness, Indigenous low-income families and women and children fleeing domestic violence.

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 Edmonton, in alignment with City Policy C601 - Affordable Housing Investment Guidelines. 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 for families.

The latest grant intake period ran from March 20 to June 21, 2024. To notify potential applicants, Administration held a media event and issued a news release to celebrate the recipient of the first grant round and indicate that a new round was open. The grant was also advertised on the City's webpage, social media and through industry stakeholders and media. During this intake period, Administration held pre-application meetings with seven Indigenous-led organizations, three of which were deemed eligible to submit. All three organizations submitted applications to construct new affordable housing. The total funding requested from the City was \$10.5 million to support \$73.7 million in total proposed capital expenditures that would add 93 new affordable housing units; Administration was able to recommend funding for \$8.3 million of the requested amount.

The three applications would provide Indigenous people the opportunity to live in safe and affordable homes. Indigenous-led housing is a priority of the Canada Mortgage and Housing Corporation (CMHC)¹ and according to the findings of the City's housing needs assessment². By supporting these applications, the AHIP helps reduce barriers to housing equity in Edmonton and brings the total committed units to 2,879, 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.

¹ "Priority areas for action." <https://www.cmhc-schl.gc.ca/nhs/guidepage-strategy/priority-areas-for-action>. 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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2452743 Alberta Ltd. - Belvedere

2452743 Alberta Ltd., owned and operated by Yellowhead Tribal Council (YTC), is proposing to construct a 149-unit mixed-market project comprising a 74-unit low-rise apartment building and a 75-unit low rise apartment building at 560 Belvedere Way NW in the Station Pointe area of the Belvedere neighbourhood. A total of 59 units will be dedicated as affordable rental units (84 bedrooms) for Indigenous individuals and families who may be experiencing homelessness, housing instability or other forms of vulnerability. Of the 59 units, 39 will be one-bedroom units (20 of which will be accessible), 15 accessible two-bedroom units and five three-bedroom units. The 39 one-bedroom and 15 two-bedroom affordable units will be offered at a maximum of approximately 60 per cent of average market rents. The five three-bedroom affordable units will be offered at a maximum of 61.2 per cent of average market rents. The remaining 89 units in the development will be rented at full market rates. If approved, construction is anticipated to commence in 2025 with residents expected to move in to the completed development in 2027.

The buildings will incorporate office spaces for the provision of on-site services for residents by YTC, including educational support, employment training and skills development, financial education and literacy programs, mental health and addiction support as well as support for children in care.

The estimated total cost for this project is approximately \$55.7 million, with the capital cost of the affordable units estimated at \$20.6 million. The applicant is being recommended to receive \$5.25 million in grant funding from the City to offset capital costs for the 59 affordable units. In exchange for the City's contribution, 2452743 Alberta Ltd. would provide 40 years of affordable housing use. The applicant is also pursuing funding from CMHC's Affordable Housing Fund and the Government of Alberta's Indigenous Housing Capital Program.

As 2452743 Alberta Ltd. 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 2452743 Alberta Ltd.

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

Métis Capital Housing Corporation - Calder

Métis Capital Housing Corporation (MCHC) is proposing to construct a six-unit transitional supportive housing project called Pishkayhta (meaning safety) in the Calder neighbourhood for Métis women, families and LGBTQ2S+ people fleeing domestic violence. MCHC currently owns the two semi-detached dwellings on the property, which have been vacated and are awaiting demolition in preparation for construction of Pishkayhta.

Residents of Pishkayhta will have a variety of support programs and services available to them, with staff available 24/7 to provide support and assistance where required. The entire ground floor will include staff and programming space, allowing for counselling, childrens' play, family gatherings and shared meals. Residents will be brought to Pishkayhta on a referral basis from emergency shelters across Alberta, with most expected to come from Edmonton and Calgary, and will stay, on average, for approximately six months. All six units will be large two-bedrooms

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(12 bedrooms) rented at 32.3 per cent of the average market rental rate for 40 years. If approved, construction is anticipated to commence in 2025 with residents expected to move in to the completed development in 2026.

The estimated total cost for this project is approximately \$4.4 million, which reflects the unique requirements of the project that are intended to ensure high quality programming for this vulnerable priority population. Required on site amenities include an entire ground floor meant for programming and office spaces and large two-bedroom units, all of which would not be typical amenities in market developments. The applicant is being recommended to receive \$498,000 in grant funding (\$83,000 per unit) from the City to offset capital costs for the six affordable units. The applicant has received conditional funding approval from CMHC's Indigenous Shelter and Transitional Housing Initiative as well as Indigenous Services Canada for start-up costs.

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

Niginan Housing Ventures Inc. - Elmwood Park

Niginan Housing Ventures Inc. is proposing to construct a 28-unit affordable housing project comprising four townhouse buildings at 12320 Fort Road NW in Elmwood Park. The project will consolidate several locations across Edmonton where Niginan currently partners with the Government of Alberta to operate housing under the Persons with Developmental Disabilities (PDD) program. The existing PDD locations are scattered across the city and this project will centralize them at a single location adjacent to the existing Pimatisiwin development. This will create a community of PDD units owned and operated by Niginan that will be able to utilize the programs and services offered at Pimatisiwin.

Fourteen of the 28 units will be studio units and the other 14 units will be three-bedroom units, for a total of 56 affordable bedrooms. All units will be offered to PDD clients referred by the Province of Alberta at a maximum of 80 per cent of average market rents. The four townhouse buildings will be centred around a shared courtyard that will serve as an outdoor amenity space for residents. Cultural and programming space is also available within the adjacent Pimatisiwin development with various programs and services offered by Niginan. If approved, construction is anticipated to commence in 2025 with residents expected to move in to the completed development in 2027.

The estimated total cost for this project is approximately \$13.6 million and the applicant is being recommended to receive \$2.52 million in grant funding from the City to offset capital costs for the 28 units. In exchange for the City's contribution, Niginan would provide 40 years of affordable housing use. The applicant has also been approved for funding for the project from the National Indigenous Collaborative Housing Incorporated (NICHI).

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

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Budget/Financial Implications

If approved, the City contributions of up to \$8.3 million outlined in Recommendations 2, 3 and 4 would be provided through: the AHIP funding from the City's existing annual operating grant budget within the Social Development Branch; the Affordable Housing Reserve; and an additional \$1.6 million from Capital Profile 19-90-4100 Affordable Housing Land Acquisition & Site Development which must be transferred to the 2024 Social Development Branch operating budget, as outlined in Recommendation 1. Council approval is required for the transfer. The Capital Profile is intended to support the Social Development Branch in fulfilling its mandate of creating 2,700 new and renovated affordable housing units by 2026.

Legal Implications

City Administration Bylaw 16620 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 typically able to approve agreements and does not require further Council approval when budget adjustments are not recommended. However, as a \$1.6 million transfer is requested under Recommendation 1, Council approval is required for these agreements. The \$498,000 grant recommended for Métis Capital Housing Corporation is below this threshold, but for transparency it is being recommended together with the other two grant requests.

Section 651.3 of the *Municipal Government Act*, RSA 2000, c M-26 through the *City of Edmonton Charter*, 2018 Regulation, Alta Reg 39/2018 allows the City to enter into an affordable housing agreement with a registered owner of a parcel of land. The City has incorporated section 651.3 requirements into the proposed general terms and conditions found in Attachment 2, Attachment 4 and Attachment 6.

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 three affordable housing developments through the AHIP 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 AHIP provides people from all backgrounds with the opportunity to live in a safe, comfortable home that they can afford. The AHIP 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

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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 AHIP is supporting housing equality while removing barriers to housing.

Environment and Climate Review

There will be an overall net increase in greenhouse gas (GHG) emissions due to the construction activities involved in developing the new affordable housing units as well as an ongoing GHG emission 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 AHIP, 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 NECB, which is the standard that all new construction within the City must meet to obtain a building permit. All three projects recommended for funding will emit less GHG emissions than equivalent buildings that are only built to code minimum.

Attachments

1. 2452743 Alberta Ltd. - Belvedere Development Overview
2. 2452743 Alberta Ltd. - Belvedere Grant Funding Affordable Housing Agreement - General Terms and Conditions
3. Métis Capital Housing Corporation - Calder Development Overview
4. Métis Capital Housing Corporation - Calder Grant Funding Affordable Housing Agreement - General Terms and Conditions
5. Niginan Housing Ventures Inc. - Elmwood Park Development Overview
6. Niginan Housing Ventures Inc. - Elmwood Park Grant Funding Affordable Housing Agreement - General Terms and Conditions

³ "Priority areas for action." <https://www.cmhc-schl.gc.ca/nhs/guidepage-strategy/priority-areas-for-action>. Canadian Mortgage and Housing Corporation.