

## Grant Funding Affordable Housing Agreement - General Terms and Conditions

<b>Applicable Sites</b>	The 11 surplus school sites listed for sale or lease on the City website as of November 2024, specifically Belmont, Blue Quill, Caernarvon (North), Dunluce, Kiniski Gardens, La Perle, Lymburn, Miller, Overlanders, Summerlea and Wedgewood.
<b>Site Developers</b>	To be determined once projects are selected. Developers will be selected based on their proposals and experience developing housing.
<b>Sale Price / Lease Rate</b>	Sites will be sold or leased at nominal value. The purchase price will be below market value (a minimum of \$1.00) or the lease rates will be below market value (a minimum of \$1.00 per year).
<b>Capital Grant</b>	<p>The funding is to be used towards the capital costs of constructing new affordable housing units.</p> <p>The City will provide funding for up to 25 per cent of the total capital costs of the affordable units.</p> <p>For developments that offer greater affordability (i.e. 60 per cent or less of Average Monthly Rental Rates) and/or exceed energy efficiency requirements, the City will provide up to the maximum amount of 40 per cent of total construction costs for affordable housing units.</p> <p>Administration proposes to allocate up to \$99 million of the City's \$175 million Housing Accelerator Fund allocation towards the development of the surplus school sites, including the previous costs of acquiring the land and grants and subsidies to the housing providers/developers for servicing and capital construction.</p>
<b>Affordable Housing</b>	Defined as residential rental units that may require upfront and/or ongoing government subsidies to ensure that payments made by an Eligible Tenant do not exceed the Maximum Allowable Rental Rates.
<b>Level of Affordability</b>	To be determined once projects are selected. At a minimum, rents for affordable units are not to exceed the Maximum Allowable Rental Rates set out annually by the City, which is 80 per cent of the CMHC <a href="#">Average Market Rental Rates</a> for the City of Edmonton.

<p><b>Duration of Affordable Units</b></p>	<p>The term of the Agreement shall expire 25 to 40 years from the date of issuance of the occupancy permit for the last affordable housing unit in the development. However, if a lease is pursued, the lease terms would require the operation of affordable housing for the duration of the lease, which may exceed 40 years and last for up to 99 years.</p>
<p><b>Number of Affordable Units</b></p>	<p>To be determined once projects are selected. At a minimum, projects must provide a minimum of 30 per cent of total residential units in a project, or across a portfolio of projects by a single applicant, as affordable housing.</p>
<p><b>Number of Accessible Units</b></p>	<p>To be determined once projects are selected. At a minimum, projects must meet all minimum building code accessibility requirements.</p>
<p><b>Disbursement of Funds</b></p>	<p>The City will provide funds to be paid out on a multi-year basis starting in 2025, as generally and non-exhaustively described as follows:</p> <ul style="list-style-type: none"> <li>• 30 per cent on execution of the affordable housing agreement and land sale or lease agreement and condition removal;</li> <li>• 30 per cent on approval of the building permit for the development, receipt of the energy modeling report, and production of proof of insurance;</li> <li>• 30 per cent on a signed production progress payment certificate detailing Capital Costs paid to date, confirming that physical construction of the Development is at least 50% complete; and</li> <li>• 10 per cent on satisfactory production of a construction completion certificate and a statement of final Capital Costs confirming physical construction of development is complete in accordance with the Plans, copies of occupancy permits and maintenance schedules.</li> </ul>
<p><b>Construction Timelines</b></p>	<p>Substantial completion of the development must occur within three years of the closing date of the Sales Agreement or within three years of the execution date of the Lease Agreement.</p>
<p><b>Occupants</b></p>	<p>Prospective occupants of the affordable housing units must qualify as eligible tenants under criteria established or approved by the City. Eligible Tenant is defined as an individual or individuals whose annual Household Income</p>

	<p>does not exceed the maximum income threshold for household size as determined annually by the City.</p>
<p><b>Registrations on Titles</b></p>	<p>The City is entitled to register a caveat or other instruments on title to protect its interest under the Agreement, unless a lease is pursued, in which case the City may require the tenant to register the lease itself.</p> <p>In the event of a substantial breach of the Agreement by successful proponents, remedies may include but are not limited to funding being repayable to the City on a prorated basis.</p>
<p><b>Approval of Affordable Housing Agreements</b></p>	<p>The Agreement, and any ancillary agreements thereto, shall be in a form acceptable to Legal Services, and in content acceptable to the City Manager, or designate. The approval of the Agreement includes the approval of such corrective, conformance, and incidental amendments to the Terms and Conditions, and to the form and content, as necessary or desirable to give effect to or implement the funding transaction, all as may be subsequently approved by the City Manager or designate.</p> <p>For lease agreements:</p> <ul style="list-style-type: none"> <li>● restrictions on the assignment of the lease to ensure the City can approve only assignees likely to faithfully meet the terms and goals of the Affordable Housing Agreement;</li> <li>● maintenance standards and a schedule or right on demand to inspect the development;</li> <li>● a requirement to remove the development and associated improvements or for the proponent or future tenants to purchase the subject land on expiry or termination of the lease;</li> <li>● where appropriate, a requirement for all residential subleases to include provisions automatically modifying or providing for their early termination in the case the City becomes the direct landlord of such subleases;</li> <li>● where appropriate, a requirement to pay into a fund accessible only to pay for repair or removal of the development if the proponent or future tenants breach the lease; and</li> <li>● where appropriate, a right for the City to terminate the lease on notice.</li> </ul>