

BELOW MARKET VALUE SALES AND GRANT FUNDING TO JASPER PLACE WELLNESS CENTRE - CALDER AND HIGHLANDS

Recommendation

1. That the sale of land in Calder (Lots 13A and 14A, Block 30, Plan 9523009) and Highlands (Lot 5, Block 18, Plan 3642A)), as outlined in Attachments 1 and 2 of the September 10, 2025, Financial and Corporate Services report FCS03090, to Jasper Place Wellness Centre, on the terms and conditions outlined in Attachments 3 and 4 of the September 10, 2025, Financial and Corporate Services report FCS03090, be approved, and that the agreements be in form and content acceptable to the City Manager.
2. That grant funding affordable housing agreements between the City of Edmonton and Jasper Place Wellness Centre for an amount not to exceed \$10 million cumulatively, as outlined in Attachment 5 of the September 10, 2025, Financial and Corporate Services report FCS03090, be approved, and that the agreements 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.	Healthy City, 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"> • Public Engagement Policy (C593D) • City Land Assets for Non-Profit Affordable Housing (C437A) • Affordable Housing Investment Guidelines (C601A) • Disposal of City-Owned Interests in Land Administrative Standard 		

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Related Council Discussions

- August 28, 2024, Financial and Corporate Services report FCS02515 - Sale of Land Below Market Value and Grant Funding - Parkdale Residential
- May 22, 2022 -Office of the City Manager OCM00991 - Community Safety and Well-Being Strategy

Executive Summary

- The sale of the Calder and Highlands sites at below-market value will enable Jasper Place Wellness Centre (JPWC) to develop the sites for affordable housing. JPWC intends to build three, 12-unit Healing House buildings across the sites (two at Calder, one at Highlands).
- The sites were not listed in a competitive public offering as per the City's Administrative Standard for the Disposal of City-Owned Interests in Land. However, the portfolio approach provides a similar or better housing outcome to the City than listing these sites publicly.
- Administration is seeking approval for up to six affordable housing agreements and grants above the \$1 million limit prescribed in Bylaw 16620, with a total amount not to exceed \$10 million. This will enable JPWC to develop up to six Healing House buildings (72 supportive housing units), all of which must be in accordance with the terms and conditions outlined in Attachment 5 and the Housing Accelerator Fund (HAF) commitments. This would include the three buildings at Calder and Highlands, as well as three on privately held parcels.
- The City investment of \$10 million in capital grants will be funded through the existing Affordable Housing Investment Program and the Affordable Housing Reserve with the funds recouped through the City's Housing Accelerator Fund budget. HAF funding will be allocated to fund the cost of acquiring and improving portions of the sites being contributed to JPWC.
- Executive Committee approval is required as the proposed below market value sales and capital grant amount is outside of Administration's delegated authority.

REPORT

In August 2024, Executive Committee approved Administration's recommendation to offer the sale of land below market value and an affordable housing grant of up to \$900,000 to Jasper Place Wellness Centre to develop two, 12-unit Healing House buildings in the Parkdale neighbourhood (FCS02515 - Affordable Housing Site - Sale of Land Below Market and Grant Funding - Parkdale Residential). That sale has closed, title transferred and development has begun. At that time, Administration intended to work with JPWC to scale up their Healing House building inventory over the next five years. The current proposal aligns with that intention, enabling JPWC to expand its portfolio by an additional six buildings - three on City-owned land and three on privately held land.

The three proposed City-owned sites for development are located in the Calder (Attachment 1) and Highlands (Attachment 2) neighbourhoods, as summarized in the table below:

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Address	Neighbourhood	Current Zoning	Non-market housing ratio	Renter Core Housing Need	Potential Units
12707-125 St /12412-127 Ave	Calder	RSM h12 ¹	3.8%	28%	24
11137-61 St	Highlands	RSM h12	5.7%	31%	12

The City-initiated rezonings for both sites from RS to RSM h12 to accommodate the proposed 3-storey buildings.

The Calder and Highlands parcels have not been listed publicly for sale on the City of Edmonton’s property sales webpage. However, due to the unique fund matching opportunity in this proposal and the time sensitive affordable housing targets of the HAF agreement, Administration recommends proceeding with a direct sale of the three identified parcels at below-market value and approving a capital grant of up to \$10 million to JPWC for the development of up to six Healing House buildings. The City will be the “first in” financial support for the projects and our early involvement is intended to stimulate philanthropic and other orders of government funding. The City has modified the traditional Affordable Housing Investment Program grant disbursement schedule and funding maximum for these projects to expedite site specific design on the portfolio of sites and provide a grant of up to 50 per cent of the total construction cost if the buildings are developed for supportive housing. If JPWC is successful in obtaining funding on projects where the full amount of the City grant is not needed then the funds will be held back to help stimulate development with JPWC on additional sites above the originally planned six sites.

Administration typically recommends the industry best practice of publicly listing all developable properties on the open market to encourage transparency and fairness. Administration assessed this proposal based on its alignment with City priorities, project readiness and access to time-sensitive external funding. While other interested parties may have pursued acquisition of these sites had they been publicly listed, Administration believes that would be a time and resource consuming exercise that would deliver the same or a lesser outcome on these sites. Administration does not believe another non-profit group could provide an alternative supportive housing model that could bring the same number of units, leverage funds, and value on a per-unit basis for the individual parcels. Based on this rationale, Administration concluded that a direct sale to JPWC should be considered an exception to the Disposal of City-Owned Interests in Land Administrative Standard. The terms and conditions of these proposed sales are outlined in Attachment 3 and Attachment 4.

¹zoningbylaw.edmonton.ca/part-2-standard-zones-and-overlays/residential-zones/230-rsm-small-medium-scale-transition-residential-zone

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Healing House Design

The building form intended for these sites, known as a Healing House, is a standardized design used by JPWC that integrates insights from the organization's experience operating various housing and housing first programs. Inspired by the Eden Alternative, an approach that mitigates common issues associated with larger institutional housing, such as loneliness, helplessness and boredom, the design includes small, self-contained units with ample shared cooking and gathering space, which enables 12 residents to live together and fosters a strong sense of community. By maintaining smaller occupancy limits, these buildings replicate a "home-like" feeling and environment. Benefits of this approach include reduced social isolation, stronger interpersonal relationships and positive behavioural changes like minimized substance use. JPWC currently operates four Healing Houses in Edmonton and two more are under construction on the Parkdale site awarded in August 2024.

The Healing House building design is appealing due to:

- Its adaptability across the housing spectrum.
- Its accessibility to accommodate individuals with a wide range of health needs.
- The inclusion of common spaces that facilitate community development among tenants.
- Its capacity to introduce density into established neighbourhoods, allowing for 12 supportive housing units on standard lots.
- The advantage of securing supportive housing at a significantly lower cost per-door (\$280,000 per door for JPWC vs. \$451,000 per door for City-built Holyrood Permanent Supportive Housing).

Bridge Healing Program and Partnership with The Royal Alexandra Hospital Foundation

Pending funding agreements with other levels of government, JPWC plans to operate these new buildings as supportive housing under the Bridge Healing operating model. A Bridge Healing program connects individuals who are experiencing homelessness and being discharged from Edmonton emergency rooms with transitional housing, as well as integrated health and social support. JPWC operates three of its existing Healing Houses under the Bridge Healing Program.

Recognizing the proven benefit to health outcomes and reduced emergency department visits associated with this program, the Royal Alexandra Hospital Foundation has committed to fundraising \$10 million to expand Bridge Healing across Edmonton with JPWC. These funds will be applicable to capital costs and operational funding for JPWC.

JPWC will require ongoing operating funding to operate the planned Healing Houses as Bridge Healing, which is expected from the Government of Alberta through their rental subsidy programs, Acute Care or Recovery Alberta. Royal Alexandra Hospital Foundation funds will serve as potential interim operational support as the Government of Alberta will typically only commit operational funds when an asset is ready for use.

The combined JPWC/Royal Alexandra Hospital Foundation proposal represents a unique opportunity to leverage philanthropic and anticipated provincial funding to deliver 72 units of deeply affordable and supportive housing by demonstrating early municipal commitment.

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By enabling the development of scalable, replicable supportive housing projects, this proposal directly contributes to achieving the City's updated affordable housing investment plan goal of creating 4,652 new and renewed units of affordable housing by 2026, including 171 transitional housing units. Additionally, this proposal supports the City's HAF affordable housing target of 1,940 units and advances the Affordable Housing Strategy by scaling a proven supportive housing model for vulnerable populations.

The City of Edmonton, Royal Alexandra Hospital Foundation and Jasper Place Wellness Centre are building a relationship on how the combined funds will support the portfolio approach.

Rationale for Seeking Delegated Authority

Bylaw 16620 - City Administration authorizes the City Manager to approve affordable housing agreements for grants below \$1 million. Agreements that exceed this amount require Executive Committee approval. Grants for each site within the JPWC portfolio are anticipated to exceed \$1 million.

Administration is requesting Committee approval for up to six affordable housing agreements that will grant amounts above \$1 million to JPWC on the terms and conditions outlined in Attachment 5, with a total cumulative amount not to exceed \$10 million.

Budget/Financial Implications

The City is contributing land with a combined market value of \$875,000: market values of \$403,000 for the Calder parcels, and \$472,000 for the Highlands site. The Housing Accelerator Fund will be used to fund the cost of acquiring and improving portions of the site. These costs total \$192,160 and represent land inventory.

Since 2015, City Council has approved below market value land sales to non-profit housing providers with cumulative market values totalling approximately \$69 million.

Ongoing operating expenses associated with the facilities will be the responsibility of Jasper Place Wellness Centre.

This project was initially intended to be funded from the Housing Accelerator Fund (HAF), however, since the \$10 million grant will not be fully spent by the November 2027 deadline mandated by the federal government, there is risk that Administration would be required to return unspent funds at the deadline. To work within these restrictions, the Affordable Housing Investment Program (AHIP) and the Affordable Housing Reserve will be used to fund the \$10 million grant to JPWC. In turn, \$10 million of the grant funding awarded from AHIP and the Affordable Housing Reserve to projects, including and not limited to, the August 13, 2025 – Community Services CS02956 Affordable Housing Investment Program - Summer 2025 Grant Program report, will be funded instead by HAF, in essence swapping funding sources. All projects that were part of report CS02956 meet the HAF grant eligibility requirements to receive funding and the \$10 million will be spent prior to the November 2027 deadline.

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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.

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 42.2 of 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. Section 19(d) of Bylaw 18156 enables Executive Committee to approve any agreement that exceeds the delegated authority of the City Manager.

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 with the registered owner of a parcel of land and register the corresponding agreement by way of caveat on title.

Community Insight

The City of Edmonton creates opportunities for affordable housing development 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 takes place around zoning changes. 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. The sale agreement will be conditional on the purchaser providing a communications plan to the City's satisfaction.

Following the submission of the City-initiated rezoning application for the Calder and Highlands sites, the respective community leagues were notified via email and letters were sent to neighbours within 120 meters of each site by the Housing Action Team, notifying them of the City's intention to develop the sites for affordable housing and advising them to contact the City's housing team if they had any questions. A second notice ahead of the public hearing shared the intention to bring the below-market land sale proposal to Executive Committee. JPWC was identified as the prospective housing provider, and a high level description of the building and program were provided. In addition, both sites were added to the City's Affordable Housing

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webpage² under Future Developments and the neighbourhoods were added to the subscriber mailing list.

Responses received related to the change in density proposed as part of the rezoning, alternative visions for the site, as well as opposition to supportive and transitional housing in the Highlands neighbourhood.

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 true for those who have experienced or are experiencing homelessness, which are the priority population targeted by Jasper Place Wellness Centre's Bridge Healing program, and their Healing House design. Overall, the Healing House buildings constructed on the Calder and Highlands sites 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.

Environment and Climate Review

The environmental impacts of development are dependent on the private developer and will be considered as part of the planning and permitting process. As part of the terms outlined in the sale agreement, the development is targeting achieving Tier 2 of the 2020 National Energy Code for Buildings or such other Environmental Certification as agreed to by the City.

Attachments

1. Calder Site Plan
2. Highlands Site Plan
3. Calder - Sales Agreement(s) Terms and Conditions
4. Highlands - Sales Agreement(s) Terms and Conditions
5. Grant Funding Affordable Housing Agreement(s) Terms and Conditions

² edmonton.ca/AffordableHousing