

Bridge Housing Lease

Dormitory Building

Recommendation

1. That an exception to the standard lease rate contained in City Policy C437 Lease or Sale of City-Owned Land for Social Housing Development, for the Former Dormitory Building site in Exhibition Lands, as outlined in the June 22, 2020, Citizen Services report CR_7881, be approved.
2. That a lease agreement between the City of Edmonton and the Homeward Trust Foundation for the lease of the Former Dormitory Building site in Exhibition Lands, as outlined in Attachment 2 of the June 22, 2020, Citizen Services report CR_7881, be approved, and that the agreement be in form and content acceptable to the City Manager.

Executive Summary

Administration recommends proceeding with the expedited delivery of bridge housing, including a comprehensive engagement plan and good neighbor plan to address and mitigate potential disorder issues, to address an immediate need for housing while the City works towards increasing the supply of purpose-built permanent supportive housing. The former dormitory building at the Exhibition Lands has been identified as a suitable existing City asset that can be temporarily repurposed quickly for bridge housing. Administration is proposing that the City enter into a lease agreement with Homeward Trust Foundation at a nominal rate of \$1 per year for the next three years, with an option to extend for an additional two years. Should the land be needed for early redevelopment at Exhibition Lands, a 180-day termination clause is included in the lease. The lease agreement will enable Homeward Trust to provide bridge housing for up to 78 residents.

The proposed lease agreement includes terms that are exceptions to City Policy C437 Lease or Sale of City-Owned Land for Social Housing Development and require approval by Executive Committee. Given the cancellation of standing committee meetings in June, Administration is requesting approval directly from City Council.

Report

A key solution to ending homelessness is increasing the supply of permanent supportive housing in Edmonton as outlined in the updated Affordable Housing Investment Plan (2019 - 2022). However, there remains an immediate need to house

nearly 500 individuals who are sleeping rough or unsheltered while the City and community organizations pursue funding for permanent housing projects. Administration recommends using bridge housing to cover the housing supply gap because it is cost-effective and allows Administration to make use of an existing asset while awaiting future site development.

Bridge housing is short-term, continuous stay accommodation for individuals awaiting placement into permanent housing. The process of moving someone experiencing chronic homelessness to permanent housing involves several steps that vary based on individual circumstances and can take an average of 45 days. Bridge housing provides a temporary home where people can access health and social supports while going through the steps necessary to move them into permanent housing. Bridge housing can reduce inefficiencies caused by the challenges housing workers face when trying to locate and connect with their unsheltered clients.

The Bridge Housing Project

The former dormitory building on the Exhibition Lands site has been identified as a readily available City-owned asset suitable for temporary bridge housing (Attachment 1). The former dormitory has been vacant since April 2018, after being used as a jockey dormitory for nearly 40 years. The building is a three-storey concrete structure with a basement and contains a reception area, office space, cafeteria, commercial kitchen and laundry area. The entrance is purpose-built for the check-in and check-out of individuals and all utilities have been reconnected to enable immediate occupancy.

Since January 2020, Administration has obtained a development permit and completed technical studies and preliminary maintenance of the building. The approved development permit allows for the building to be used as bridge housing for up to 78 individuals at a time. This project would provide bridge housing until future development of this site begins. To ensure a timely transition to redevelopment, a 180-day lease termination clause is included in the lease.

The lease agreement proposes offering this site to Homeward Trust at a nominal lease rate of \$1 per year to enable the agency to efficiently direct operating funds and resources to the operations of this bridge housing project. The rate is an exception to City Policy C437 - Lease or Sale of City-Owned Land for Social Housing Development, which normally requires land for social housing agencies be leased at 50 percent of market value plus servicing costs on an up-front basis. As per City Policy C437, exceptions to the policy may be considered, based on a justification acceptable to Executive Committee. Given the cancellation of standing committee meetings in June, Administration is requesting approval directly from City Council.

Next Steps

If approved, the City (as landlord) would enter into a lease agreement with Homeward Trust (as tenant) for the lease of the Former Dormitory Building site in Exhibition Lands in accordance with the lease key terms and conditions (Attachment 2). The City would complete necessary building renovations throughout summer and fall 2020, which includes fencing, repairing windows and doors and the testing and replacement of life-saving equipment. As the tenant, Homeward Trust will manage the building and hire an operator through a request for proposal to provide support services. The building is anticipated to be move-in ready by the fourth quarter 2020.

Budget/Financial Implications

Funding for this project would come from the Capital Profile 19-90-4100 - Affordable Housing Land Acquisition and Site Development. The building rehabilitation will cost approximately \$600,000. The City will continue to cover utility costs associated with the operation of the dormitory building as part of the overall utilities budget for the Exhibition Lands.

Public Engagement

Public engagement was not completed for this project, however, Administration has worked with the Parkdale-Cromdale, Bellevue, and Montrose community leagues as well as the Alberta Avenue Business Association to provide information about the bridge housing project and has met with some of the community leagues that were interested in discussing the project further. Feedback provided by the leagues has been used to develop the communications and engagement plan for the project and will also inform the Good Neighbour Plan. Future engagement actions will be undertaken to inform the Good Neighbour Plan and to build relationships between the community and the operator.

Corporate Outcomes and Performance Management

Corporate Outcome(s): Edmonton is a safe city.			
Outcome(s)	Measure(s)	Result(s)	Target(s)
Unsheltered Edmontonians have access to bridge housing	Number of unsheltered Edmontonians served by bridge housing	N/A	Approximately 200 individuals per year as need exists

Risk Assessment

Risk Element	Risk Description	Likelihood	Impact	Risk Score (with current mitigations)	Current Mitigations	Potential Future Mitigations

If recommendation is approved						
Financial	Lack of funding for future permanent supportive housing may result in this site being needed for bridge housing beyond the maximum of five years outlined in this report	3 - Possible	2 - Moderate	6 - Low	Administration will continue discussions with other orders of government to increase permanent supportive housing units Administration is exploring other permanent bridge housing opportunities	Per Policy C437, Executive Committee approval would be required to approve an extension of the lease beyond five years
Public Perception	The community may not support the project	3 - Possible	1 - Minor	3 - Low	The City has been transparent with the intent and process of operating the dorm as a bridge housing facility. The City has engaged an experienced partner organization to operate the facility.	Further community engagement could be arranged to hear and address impacts related to the operation of bridge housing.
If recommendation is not approved						
Citizens	Bridge Housing supply remains unchanged and citizens in need will not have access to this resource	4 - Likely	2 - Moderate	8 - Medium	The City supports emergency shelter responses and is working to increase the supply of permanent supportive housing	Homeless-serving agencies may identify alternative means and locations for bridge housing
Public Perception	The community may feel that the City is not maximizing its resources to solve housing and homelessness issues	3 - Possible	2 - Moderate	6 - Low	Educating the community on the ongoing work in the housing area within the City	The City will continue to educate the public on its long term strategies and plans to provide permanent supportive housing

Attachments

1. Exhibition Lands Former Dormitory Building Maps and Photos
2. Exhibition Lands Former Dormitory Building - Lease Key Conditions and Terms

Others Reviewing this Report

- C. Owen, Deputy City Manager, Communications and Engagement
- M. Persson, Chief Financial Officer and Deputy City Manager, Financial and Corporate Services
- B. Andriachuk, City Solicitor