

Boyle Renaissance Phase II

Recommendation:

That Executive Committee recommend to City Council:

1. That up to \$3,384,500 of the Cornerstones program for the Boyle Renaissance Phase II project be approved, and the City Manager enter into a funding agreement in a form and content acceptable to the City Manager.
2. That \$1,660,000 of Planning and Development funding previously allocated to Aboriginal transitional housing, be reallocated to seniors housing, and the City Manager enter into a master agreement with the Metis Capital Housing Corporation in a form and content acceptable to the City Manager.
3. That the land identified in Attachment 2 (of the April 13, 2011, Planning and Development Department report 2011PHB102) be transferred for \$1 to the Metis Capital Housing Corporation for the purposes of affordable housing, and the City Manager enter into an agreement in a form and content acceptable to the City Manager.

4. That Administration negotiate with Bigstone Cree Nation for funding contributions Boyle Renaissance Phase II, and that the City enter into a master agreement with the Bigstone Cree Nation and Metis Capital Housing Corporation in a form and content acceptable to the City Manager.

Report Summary

This report requests Council to approve Cornerstones funding, a budget reallocation and the sale at less than fair market value of City land, to assist with the construction of the Aboriginal seniors housing facility located in Boyle Renaissance.

Report

During 2010 budget deliberations, Council approved a one-time funding increase of \$1.66 million to the Planning and Development Department towards the development of an Aboriginal transitional housing facility within Boyle Renaissance Phase II.

On October 19, 2009, City Council received for information background on the development of the Boyle Renaissance Phase II Aboriginal housing and transitional services facility.

Since Council's budget approval for Boyle Renaissance Phase II, there has been a significant change in the project's scope. The Aboriginal transitional housing facility and welcome centre will no longer form part of the project, as the major sponsor of this component – The Canadian Native Friendship Centre – has withdrawn. The design for this facility was well

received but it was not feasible to proceed with the development due to the cost which was estimated to be in excess of \$50 million.

The revised and current proposal provides for 90 units of affordable seniors housing for Aboriginals (including 30 barrier free units for those with mobility issues) to be owned and operated by the Métis Capital Housing Corporation.

The proposed total capital budget for the project is now \$22,369,000 as outlined in Attachment 1 (exclusive of additional funding needed to construct the Bigstone Cree main floor improvements should these proceed.) The funding will comprise a combination of Cornerstones, owner equity, the Provincial RFP monies and \$1.66 million allocated to Planning & Development Department in the 2011 operating budget.

The \$1.66 million was previously approved by Council to be allocated toward the Aboriginal transitional component. These funds were not spent and are included in the Financial Stabilization Reserve. Administration is recommending the \$1.66 million be carried forward and reallocated to fund the seniors housing.

The land is currently owned by the City and was acquired with Cornerstones funds. Total Cornerstones funds towards the land is \$2.6 million. The City intends to transfer the land to the Métis Capital Housing Corporation for the purposes of affordable housing. This transfer for less than fair market value does not require advertising because the transferee is a non-profit company.

Corporate Properties will negotiate and enter into a sales agreement for the land transfer to the Métis Capital Housing Corporation.

In addition, Administration is recommending an additional \$3,384,500 of Cornerstones funds as previously indicated in the Roadmap be allocated to the project. Payment of these funds will be conditional on signing of a Master Agreement between the parties.

Administration is in discussions with Bigstone Cree Nation regarding the development of a medical centre on the ground floor. Should Bigstone be able to secure funding, they will contribute approximately \$2 million for the construction of main floor improvements including medical and commercial space. Additionally, approximately \$1.5 million (to be negotiated) will be allocated to:

- land acquisition and construction of a Community Park
- common area building costs to reduce construction costs
- Cornerstone reimbursement

The Bigstone contribution will be finalised and negotiated as part of the Master Agreement.

Approval of the recommendations and the ability of the stakeholders to confirm the balance of funds by May 2011, will allow the project to achieve the following milestones:

Issue design-build RFP	May 2011
Award design-build contract	June 2011
Land Transaction	Oct 2011
Commence Construction	Jan 2012

Corporate Outcomes

The information contained with this report is consistent with Council's Strategic Plan in terms of improving Edmonton's liveability, specifically:

- complete collaborative communities that are accessible, strong, and inclusive with access to a full range of services
- attractive and compact physical design with diverse neighbourhoods, amenities and public open spaces

Public Consultation

Extensive public consultation has previously been undertaken for the Boyle Renaissance Master Plan which includes the subject site. In addition, the previous concept plan for the project had significant consultation with the Aboriginal community.

There is presently a representative from the Boyle Street Community League on the selection panel for the design. It is envisaged that another open house will be undertaken once concept design is complete.

Budget/Financial Implications

The Boyle Renaissance Phase II Funding Overview, (Attachment 1) shows \$5,642,500 in City funding for Aboriginal Seniors Housing. Of this amount \$3,384,500 will be funded by the Cornerstones Program. Funding for the remaining \$1,660,000 has been appropriated previously within the Financial Stabilization Reserve Appropriation for the Aboriginal Transitional component of Boyle Renaissance Phase II.

Legal Implications

The Law Branch will work with the parties to protect the City's interests in

the funding agreement and the Master Agreement.

The funding agreement for the \$3,384,500 in Cornerstones money will require that the funds are used for affordable housing.

Justification of Recommendation

1. The project scope has been considerably revised and reduced. The current cost estimate has been arrived at after consultation with various contractors and is considered reasonable.
2. The reallocation of the one-off service package of \$1.66 million will allow the proponents to leverage additional funding from both the Province and the Federal Government. A Master Agreement will allow the parties to continue with the design and construction of Boyle Renaissance Phase II as contemplated by City Council's earlier directions and ensure it contributes to positive community outcomes.
3. The land is currently owned by the City in the Cornerstones program, and the sale will be to the Métis Capital Housing Corporation, a non-profit company.
4. A financial contribution from Bigstone Cree nation will be put towards the development of a medical centre and a community park. It will also form a community partnership between two separate Aboriginal groups.

Attachments

1. Boyle Renaissance Phase II – Funding Overview
2. Boyle Renaissance Phase II – Lot Boundary

Others Reviewing this Report

- D. H. Edey, General Manager,
Corporate Services Department
- L. Rosen, Chief Financial Officer and
Treasurer
- M. Koziol, A/General Manager, Asset
Management and Public Works
Department and General Manager,
Capital Construction Department

Boyle Renaissance Phase II – Funding Overview

Project Funders	Source of Funding	Total Funding from Each Source	Sub-Totals
Government of Alberta	Portion Cornerstones Fund Land Acquisition *	2,002,000	
City Of Edmonton	Housing and Urban Affairs Affordable Housing RFP	8,340,000	10,342,000
	2011 Planning & Development Department Budget (General Finance)	1,660,000	
	Portion Cornerstones Fund Land Acquisition	598,000	
	Cornerstones Affordable Housing Grant	3,384,500	5,642,500
Métis Capital Housing Corporation	Cash Contribution	6,384,500	6,000,000
Total Project Cost		22,369,000	100%

*Assumed Value of land to be \$2.6m. Proportionate contributions from Cornerstones equal 77:23, Provincial:City

Total Project Costs	
Land	2,600,000
Building	16,900,000
Site	100,000
Soft Costs	2,012,500
subtotal	21,612,500
GST	756,500
Total Project Costs	22,369,000

Boyle Renaissance Phase II – Lot Boundary



Lots 1-8 Block:13 Plan: ND