

Affordable Housing Investment Program

Spring 2021 Grant Award Recommendations

Recommendation

1. That a grant funding affordable housing agreement between the City of Edmonton and Avana Rentals Alberta Inc., not to exceed \$1,730,831, as outlined in Attachment 2 of the May 27, 2021, Citizen Services report CS00432, be approved, and that the agreement be in form and content acceptable to the City Manager.
2. That a grant funding affordable housing agreement between the City of Edmonton and Right at Home Housing Society, not to exceed \$1,948,750, as outlined in Attachment 4 of the May 27, 2021, Citizen Services report CS00432, 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 Right at Home Housing Society, not to exceed \$689,821, as outlined in Attachment 6 of the May 27, 2021, Citizen Services report CS00432, 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 Treaty 8 First Nations of Alberta Holdings Ltd., not to exceed \$6,000,000, as outlined in Attachment 8 of the May 27, 2021, Citizen Services report CS00432, be approved, and that the agreement be in form and content acceptable to the City Manager.

Executive Summary

The Affordable Housing Investment Program provides grant funding to incentivize affordable housing development and help the City reach its goal of creating 2,500 affordable housing units across Edmonton between 2019 and 2022.

Administration recommends grant funding for four proposed affordable housing developments. The projects will result in 124 new units of affordable housing in exchange for grant funding in the amount of \$10.37 million. The City's investment will leverage a total of \$67.9 million in construction value and will contribute to the long-term supply of affordable housing in Edmonton. The proposed developments will provide safe, affordable and sustainably-built housing for First Nations families, newcomers, women and children, and people with disabilities. The proposals represent unique collaborations with a diverse group of non-market and market

housing providers whose proposed designs thoughtfully respond to the needs of future residents.

Report

The City's Updated Affordable Housing Investment Plan (2019-2022) aims to create 2,500 new or renovated affordable housing units across Edmonton over the next four years. In alignment with City Policy C601 Affordable Housing Investment Guidelines, the Affordable Housing Investment Program provides grant funding to eligible non-profit and private sector entities, targeting shovel-ready proposals to encourage affordable housing development in Edmonton. The grants provide up to 25 percent of the capital costs of newly constructed or rehabilitated affordable housing developments. All projects exceed the National Energy Code by a minimum of 15 percent which enhances the developments' environmental and long-term operational sustainability.

The latest grant intake period ran from November 9, 2020 to February 18, 2021. There are an increased number of applications recommended for funding this year, a total of four compared to only one in 2020. Administration continues to review program applications and works with applicants to improve the quality of their applications for submission to future rounds of intake.

Four qualified applications meet all the program eligibility requirements and are recommended to Executive Committee for funding approval. The four applications represent a total investment of \$10,369,402 and the construction of 124 affordable housing units. Projects are summarized briefly below and additional details are provided in the attachments to this report.

Avana Rentals Alberta Inc. - Maple Crest

Avana Rentals Alberta Inc. is collaborating with YWCA Edmonton to provide family-sized rentals for women and women with children in the Maple neighbourhood. Avana Rentals is proposing to develop 12 buildings with a total of 96 units.

Avana Rentals will make 30 of the units affordable for a minimum of 20 years:

- 10 one-bedroom units at approximately 70 percent of average market rents
- 10 two-bedroom units at approximately 70 percent of average market rents
- Six three-bedroom units at approximately 80 percent of average market rents
- Four four-bedroom units at approximately 50 percent of average market rents

The estimated construction budget for the entire development is approximately \$25.5 million. Avana Rentals has applied for \$1,730,831 from the City to offset capital costs for the 30 affordable units. The term of the agreement will expire 20 years from the date of occupancy permit for the last affordable housing unit in the development. As

Avana Rentals Alberta Inc. was recently incorporated in Alberta, Administration would also obtain a guarantee agreement from a third-party corporate entity, Pitbull Energy Services Inc., with recourse in the event of default by Avana Rentals Alberta Inc.

Right at Home Housing Society - Beacon Heights

The proposed Beacon Heights development is targeted toward large families, particularly newcomers, and will feature 21 units including three accessible units.

All units will be offered at 80 percent or less of average market rents. The estimated budget for the entire development is approximately \$7.5 million. Right at Home Housing Society has applied for \$1,948,750 from the City to offset capital costs. The request represents 25 percent of the total capital costs for the 21 affordable units. The term of the grant funding affordable housing agreement will be 40 years.

Right at Home Housing Society - Saint Paul Legacy Project

The proposed Saint Paul Legacy Project will reuse the existing St. Paul's Lutheran Church in King Edward Park. The project will include two accessible units in the church building and an addition to the building will add nine new housing units. Right at Home will collaborate with Lehr-House who will manage the animation and programming of the converted church building. Tenant supports and services will be provided by Multicultural Health Brokers and Islamic Family and Social Services Association, Youth Empowerment and Support Society, and Alberta Health Services and Spinal Cord Injury Alberta.

All 11 affordable units will be provided at 80 percent or less of average market rents. The estimated budget for the development is approximately \$3.3 million. Right at Home Housing Society has applied for \$689,821 from the City to offset capital costs. The term of the grant funding affordable housing agreement will be 40 years.

Treaty 8 First Nations of Alberta Holdings Ltd.

Treaty 8 First Nations of Alberta Holdings Ltd. is proposing the development of a 30-unit family reunification centre and a 32-unit First Nations lodge in Belvedere. This project is unique because of the rarity of family-oriented supportive housing for Indigenous families. The centre will help mitigate the growth in the number of Indigenous children in care by providing support services in a highly structured, secured learning and social environment that reunites parents and children.

Each suite will be provided at approximately 49 percent of average market rents. The estimated budget for the entire development is approximately \$31.7 million. Treaty 8 First Nations of Alberta Holdings Ltd. has applied for \$6,000,000 from the City to offset capital costs. The term of the grant funding affordable housing agreement will be for the maximum length of 40 years; however, the development is anticipated to remain affordable for 50 years, in alignment with affordability requirements of the applicant's

other funding sources. As Treaty 8 First Nations of Alberta Holdings Ltd. was recently incorporated in Alberta, Administration will obtain a guarantee agreement from a third-party corporate entity, Treaty 8 First Nations of Alberta, with recourse in the event of default by Treaty 8 First Nations of Alberta Holdings Ltd.

Budget/Financial Implications

The requested City contributions of up to a total of \$10,369,402 would be provided through the Affordable Housing Investment Program funded from existing affordable housing funding, including remaining provincial block funding (75 percent) and the City’s Affordable Housing Reserve (25 percent) for the Right at Home Housing Society and Treaty 8 First Nations of Alberta Holdings Ltd. developments, and 100 percent from the City’s Affordable Housing Reserve for the Avana Rentals Alberta Inc.’s Maple Crest development.

Legal Implications

Section 43 of Bylaw 16620 - City Administration Bylaw enables the City Manager to approve grant funding agreements valued under \$500,000 that do not pertain to an interest in land and do not exceed 10 years in agreement term. Approval is sought as the agreements at issue exceed these delegated authority limits.

Public Engagement

Public Engagement was not undertaken for this report. Public engagement requirements for each development will be undertaken at the time the affordable housing agreement is prepared and each development will be required to establish a good neighbour plan as a condition of their funding.

Corporate Outcomes and Performance Management

Corporate Outcome(s): The City of Edmonton has sustainable and accessible infrastructure			
Outcome(s)	Measure(s)	Result(s)	Target(s)
Increased supply of affordable housing units in all areas of the city	Number of new affordable housing units supported	2021: 159 2020: 286 2019: 648 2018: 189	2,500 from 2019 to 2022
Increased supply of affordable housing units in all areas of the city	Number of permanent supportive housing units development	2021: 72 2020: 210 2019: 79 2009-2016: 201	916 units from 2019 to 2024

Affordable Housing Investment Program - Spring 2021 Grant Award Recommendations

Edmontonians have safe and adequate housing	Number of people experiencing homelessness	March 2021: 2,092 March 2020: 1,611 March 2019: 1,153	Decrease year over year
---	--	---	-------------------------

Risk Assessment

Risk Element	Risk Description	Likelihood	Impact	Risk Score (with current mitigations)	Current Mitigations	Potential Future Mitigations
If recommendation is approved						
Public Perception	Communities may not support the developments	3 - Possible	1 - Minor	3 - Low	All grant applicants have prepared public engagement and good neighbour plans	The City will work with grant recipients to develop detailed engagement strategies to further engage with communities on the proposed developments
If recommendation is not approved						
Citizens	There will continue to be a lack of Indigenous-focused affordable housing providing culturally appropriate programs and services	4 - Likely	2 - Moderate	8 - Medium		The City is currently developing an Indigenous housing framework
Public Perception	The public may lose confidence in the City's ability to maximize its resources to advance affordable housing solutions	4 - Likely	2 - Moderate	8 - Medium	Inform the community of the City's ongoing work related to housing	The City will continue to educate the public and advance long-term strategies and plans as they relate to permanent supportive housing

Attachments

1. Avana Rentals Alberta Inc. Maple Crest Development Details
2. Avana Rentals Alberta Inc. Maple Crest Grant Funding Affordable Housing Agreement General Terms and Conditions
3. Right at Home Housing Society - Beacon Heights Development Details

4. Right at Home Housing Society - Beacon Heights Grant Funding Affordable Housing Agreement General Terms and Conditions
5. Right at Home Housing Society - Saint Paul Legacy Project Development Details
6. Right at Home Housing Society - Saint Paul Legacy Project Grant Funding Affordable Housing Agreement General Terms and Conditions
7. Treaty 8 First Nations of Alberta Holdings Ltd. Development Details
8. Treaty 8 First Nations of Alberta Holdings Ltd. Grant Funding Affordable Housing Agreement General Terms and Conditions

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
- S. McCabe, Deputy City Manager, Urban Form and Corporate Strategic Development
- K. Fallis-Howell, Acting City Solicitor