



# Affordable Housing Investment Program

Edmonton

## **New Construction Grant Guide**

housing@edmonton.ca  
[edmonton.ca/affordablehousinginvestment](https://edmonton.ca/affordablehousinginvestment)



**Introduction**

The City of Edmonton believes all residents deserve access to safe, adequate and affordable housing. Housing security is critical to a healthy city and fundamental to the physical, economic and social well-being of individuals, families and maintaining diverse and inclusive communities.

The Affordable Housing Investment Plan (2019-2022) is focused on supporting the creation of 2,500 new or renovated affordable housing units across all areas of the City over the next four years. To encourage affordable housing development in Edmonton, the Affordable Housing Investment Program provides three streams:

- New Construction (now open)
- Rehabilitation of Existing Units (future)
- Project Development (future)

This document provides information on the New Construction grant, how it works and how to qualify.

**Program Details**

The New Construction grant provides limited capital funding to assist organizations in constructing new affordable housing units. The grant funding model assumes an average funding commitment by the City of up to 25 per cent of the total capital construction costs associated with the affordable housing component of a project, but the actual amount of funding commitment by the City may vary in the City's sole discretion. This grant is targeted to shovel-ready projects or projects that are ready to start construction within two years of the grant award.

Applications are accepted and reviewed based on the following annual schedule:

Application Intake	December 2, 2019 to February 14, 2020
Application Processing	March 2020
Grant Award Decision	April 2020
Grant Disbursement	July 2020

The Affordable Housing Investment Program is open to nonprofit and for-profit entities that demonstrate:

- Commitment and competence to complete the proposed project
- Expertise and proven ability to undertake the proposed project



- Financial soundness, including:
  - Financial and operational ability to complete and maintain project
  - Capacity to handle development risks (i.e. cost overruns, delays)
- Managerial competence and capabilities

This includes but is not limited to:

- Community housing providers (i.e. public or private non-profit housing organizations or rental co-operatives)
- Indigenous corporations
- Private for-profit corporations

All projects must meet the following minimum requirements to be eligible for application:

- Affordability:
  - Must remain affordable for a minimum of 20 years from the date of the issuance of the last occupancy permit. Projects with a longer affordability term, up to a maximum of 40 years, will be ranked higher at the evaluation stage.
  - For rental units, at least 30% of total project residential units must have rent payments that do not exceed 80% of Median Market Rental rates as published by the Canadian Mortgage and Housing Corporation (CMHC) or have rent-gear-to-income, and the household income of the tenants must be below income threshold limits as set out by the City of Edmonton (refer to the resources section on page 6 for the current year's threshold limits and CMHC rates)
- Location and Size:
  - The proposed project must be located within the boundaries of the City of Edmonton.
  - The proposed project must include a minimum of five housing units.
- Financial Viability:
  - Confirmation of project lands (option to purchase or certificate of title)
  - 10% of the total project cost must be provided by the Applicant as unencumbered equity
  - Applicant must provide evidence of the financial viability of the proposed project
- Energy Efficiency:
  - Must also abide by City Policy C532 - Sustainable Building Policy if applicable. The policy applies when buildings are more than 33% funded by the City.
  - New projects are required to achieve either a 25% decrease in energy consumption and greenhouse gas emissions relative to the 2015 National Energy Code for Buildings or the 2015 National Building Code; OR a 15% decrease relative to the 2017 National Energy Code for Buildings
- Accessibility:
  - Applicants must meet minimum building code accessibility requirements; however, projects that meet higher accessibility standards, such as visitable units, units



designed for persons in wheelchairs, barrier-free bathrooms, etc. will be scored higher during the evaluation process.

Example projects that may be considered for funding include but are not limited to:

- Affordable near-market rental
- Affordable homeownership
- Mixed-income projects with an affordable housing component
- Mixed-use projects with an affordable housing component
- Permanent supportive housing projects
- Rent geared to income/deep subsidy

**Application Process**

*Gate 1: Pre-application Discussions*

All potential applicants must arrange for an initial pre-application meeting with a representative from the City of Edmonton’s Housing and Homelessness Section (“Housing Representative”) to discuss if the project proposal meets the program’s purpose and meets eligibility requirements.

*Gate 2: Grant Application*

Once you have met with a Housing Representative, you may submit an application for the New Construction grant.

*Note: incomplete applications will not be evaluated. Depending on the nature of your application, a Housing Representative may contact you for additional information.*

[Grant application form](#)

To submit a complete application you will need to include:

<p>Applicant Information</p>	<ul style="list-style-type: none"> <li>● Affordable housing and property management experience</li> <li>● Organization’s history and mission</li> <li>● Audited financial statements for the previous three fiscal years</li> <li>● Incorporation, registration or any constating documentation for the Applicant organization</li> <li>● Current copies of the following searches in respect of the Applicant:               <ul style="list-style-type: none"> <li>○ Corporate Registry search</li> <li>○ Personal Property Registry search</li> <li>○ Bankruptcy search</li> </ul> </li> <li>● Confirmation whether the Applicant or any of its board members have ever been convicted of a criminal offence for fraud, theft, or money laundering.</li> </ul>
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Project Team Information	<ul style="list-style-type: none"> <li>• Project team names, experience, and professional designations</li> </ul>
Property and Location Information	<ul style="list-style-type: none"> <li>• Proposed project location (legal and municipal)</li> <li>• Proposed project concept, design, and details</li> <li>• Third-party entities (i.e. partnerships) involved in the delivery of this project</li> <li>• Demonstrated need and demand for the type of housing</li> <li>• Occupant selection and eligibility criteria</li> <li>• Pricing and intake process</li> <li>• Property management model</li> <li>• Project schedule (including construction commencement and completion dates)</li> <li>• Confirmation of project lands (option to purchase or certificate of title)</li> <li>• Land value appraisal</li> <li>• Confirmation of appropriate zoning and development permit (if available)</li> <li>• Floor plans, elevation plans and site plans</li> <li>• Community Engagement Plan             <ul style="list-style-type: none"> <li>○ Plan outlining how the project will engage affected residents and stakeholders and how their feedback will be integrated into the design and operation of the project</li> </ul> </li> <li>• Good Neighbour Plan             <ul style="list-style-type: none"> <li>○ Description of public engagement to date and plan for future engagement (if any)</li> <li>○ Plan outlining how the builder and operator will demonstrate “good neighbour” practices during the construction and operation of the project.</li> <li>○ See the <a href="#">Good Neighbour Guide</a> for recommended best practices, and the <a href="#">Good Neighbour Plan</a> template for an example of a plan.</li> </ul> </li> <li>• Particulars of any and all performance bonds, labour and material payment bonds, and/or letters of credit for construction projects.</li> <li>• Proximity to nearby amenities and services (i.e. bus stop, health services, public school, green space)</li> <li>• Nature of any proposed on-site staffing and/or support services.</li> <li>• Description of any commercial or market residential aspects of the proposed development.</li> <li>• Confirmation of the anticipated energy efficiency and GHG emissions reduction by a qualified energy professional</li> </ul>



<p>Project Financial Information</p>	<ul style="list-style-type: none"> <li>● Complete and submit the Financial Assessment Excel Spreadsheet           <ul style="list-style-type: none"> <li>○ Includes total project funding, revenue, operating budget, capital budget, amount of grant funding requested from the City under a particular investment stream and construction cash flow</li> <li>○ Details of construction and operational financing for the project, including terms and interest rates, and including the status of any required funding commitments</li> </ul> </li> <li>● Proof of minimum 10% unencumbered equity for the overall project</li> <li>● Project Cost Estimate (Quantity Surveyor's Report)</li> <li>● Proof of other funding sources and/or financing</li> </ul>
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Should the items above be in progress, you may submit an application as long as it is accompanied with a justification for those items.

*Gate 3: Evaluation and decision*

All completed applications will be evaluated and prioritized for funding by two committees: a Technical Committee and a Selection Committee. Proposals will be prioritized based on their alignment with the City of Edmonton's priorities and outcomes as outlined in [City Policy C601 Affordable Housing Investment Guidelines](#) and the [Affordable Housing Investment Plan](#).

For specific weightings, the evaluation matrix used to prioritize and evaluate applications can be found under the Resources section of this guide.

All awards are subject to the approval of Edmonton City Council or its committees. You will be notified via email if the Selection Committee is prepared to recommend your application for grant funding for New Construction to proceed to the Executive Committee for approval. If approved, your grant funding will be released in accordance with the terms of an executed Grant Funding Affordable Housing Agreement made between the City and the Applicant, which must be registered as a caveat against title to the project land.

Please note, at minimum, the City reserves the right to withhold payment of grant funding where:

- The Applicant has made any material misrepresentation or provides any materially false or materially misleading information to the City;
- The Applicant or any associate or affiliate entity of the Applicant is in arrears on any payment or reporting obligation to the City under the terms of any other agreement made with the



City;

- The Applicant has outstanding amounts owing to the City due to property taxes that are past due or in arrears;
- The Applicant is in litigation with the City over any matter;
- The Applicant is or becomes bankrupt, insolvent, commits an act of bankruptcy, makes a general assignment for the benefit of creditors, has a receiver or trustee appointed, or ceases to function as an active legal entity under the laws of Alberta;
- The Applicant is or becomes the subject of a Canada Revenue Agency judgment or tax lien; or
- There is a judgment, tax lien, builders' lien, or certificate of lis pendens registered against the title to the land on which the proposed project will be situated.

### **Additional Commitments**

As a condition of your application, the City of Edmonton *may* share your project details with other orders of government and the CMHC.

If grant funding is allocated to your project, please be aware the following will be required of you/your project:

- The successful applicant will be required to enter into a Grant Funding Affordable Housing Agreement that will be registered as a caveat against title to the project land.
- Agreement the City of Edmonton *may* share your project details with other orders of government.
- Agreement your project *may* be publicized in City of Edmonton materials, media and Council Reports.
- Construction of the project must commence within two years of the execution of the Grant Funding Affordable Housing Agreement.
- Annual project monitoring requirements that may include (without limitation) reporting occupant income, rent or mortgage payment levels, project's statement of operations and annual audited financial statements of the organization.
- The successful applicant must abide by the City of Edmonton's Affordable Housing Public Engagement Charter.

### **Contact Us**

If you have any questions about the Affordable Housing Investment Grant Program, interested in applying or would like to book a pre-application meeting, please send your inquiry to [housing@edmonton.ca](mailto:housing@edmonton.ca) or call 780-496-7878 We will be in touch with you within three business days.



## Resources

Housing information and data:

- City of Edmonton's Glossary of Housing Terms [see [link](#)]
- CMHC Housing Market Information Portal [see [link](#)]
- Census Data Tables - Census Family After-Tax Income Groups in Constant 2015 Dollars [see [link](#)]

Relevant City Initiatives, Guidelines, Policies

- Affordable Housing Investment Grant Evaluation Criteria [see [link](#)]
- Policy C601 - Affordable Housing Investments Guideline [see [link](#)]
- Policy C532 - Sustainable Building Policy [see [link](#)]
- Affordable Housing Public Engagement Charter
- Updated Affordable Housing Investment Plan 2019-2022 [see [link](#)]