



ECONOMIC STANDING POLICY COMMITTEE REPORT

Title Affordable and Social Housing Capital Funding Request - Concept Investment Partners Ltd.

Meeting Date October 3, 2023

Submitted By Mayor Hyggen, Chair – Economic Standing Policy Committee

Recommendation from Economic Standing Policy Committee:

BE IT RESOLVED THAT City Council

1. Provide **\$1,295,000** of funding to Concept Investment Partners Ltd. for the Affordable Housing project located at 1730 – 10 Avenue South, conditional to the securement of the balance of project funding on or before December 31, 2024, and the successful acquisition of a development permit for the project; and
2. Provide the funding subject to the execution of the City's third-party contribution agreement in a form with terms and conditions satisfactory to the City Manager; and
3. Authorize the City Manager and City Clerk to sign the Agreement.

Vote:
In Favour: 8-1

Public Speakers at the Meeting: None

Public Submissions: None

Submitted By Andrew Malcolm, General Manager, CSD

Summary

- Request for Decision from City Council, through the Economic SPC, regarding the allocation of up to \$1,500,000 to support Concept Investment Partners Ltd. (CIPL) in the renovation/retrofit of a housing project at 1730 - 10 Avenue South.
- Project includes the completed purchase of the property, and the renovation/retrofit of the

- property to include a total of 50 units (see Attachments 1 & 2).
- The project has been reviewed and it has been determined that 37 of the units would be considered as affordable by the City's definition (30% or less of a household's pre-tax income) based on the most recently released Income Thresholds (Link 1).
 - The Affordable and Social Housing Capital Grant (CC49) is closed until a comprehensive review has been completed, however with an opportunity to leverage the provincial Affordable Housing Partnership Program (AHPP), CIPL has requested a capital funding request intended to support project viability. The AHPP has an application deadline of October 16, 2023.

Recommendation(s)

THAT the Economic SPC recommend:

1. That City Council provide \$1,500,000 of funding to Concept Investment Partners Ltd. for the Affordable Housing project located at 1730 – 10 Avenue South, conditional to the securement of the balance of project funding on or before December 31, 2024, and the successful acquisition of a development permit for the project; and,
2. That City funding be provided subject to the execution of the City's third-party contribution agreement in a form with terms and conditions satisfactory to the City Manager; and,
3. The City Manager and City Clerk be authorized to sign the Agreement; and
4. To forward this report as an item of Urgent Business to this afternoon's October 3, 2023 Council Meeting due to the tight timelines.

Financial

The housing project's total cost is estimated at \$6,250,000, aligned with the attached Grant Funding Request (Attachment 1). CIPL has indicated their desire to apply for provincial AHPP funding for roughly 33% of the project, with the balance of the project being funded through other sources (private donation, debt, agency funds, etc.).

Source	Request Amount	% of Project
City of Lethbridge	\$1,500,000	24%
AHPP	\$2,062,500	33%
Other (donations, debt, agency funding, etc.)	\$2,687,500	43%
Total	\$6,250,000	100%

The funds being requested are intended to support the capital development of the project. No operational funding is being requested from the City of Lethbridge.

Presently, the City of Lethbridge has \$5,900,000 of funding available to support social and affordable housing projects.

Background and Prior Decisions

- March 2019- Municipal Housing Strategy (Link 2)
- May 2023- Intakes for the Affordable and Social Housing Capital Grant Program paused, pending review by Administration (Link 3)
- May 2023- City Council approves the Encampment Strategy, which includes funding for a 1.0 FTE Housing Solutions Coordinator (Link 4)

Engagement

- Upon announcement of the provincial Affordable Housing Partnership Program (AHPP) funding application deadline, Community Social Development (CSD) reached out to 17 local partners, including CIPL, to determine which groups were positioned to apply and how the City could support application.
- Through conversations between CSD and CIPL, it was determined that municipal support for the project would bolster the application for provincial AHPP grant funding.

Recommendation and Option(s) Analysis

Option 1

- **City Council may allocate \$1,500,000 for the project**, conditional to the following:
 - Successful Permit Issuance (recommended)
 - Successful securement of funding for the balance of the project on or before December 31, 2024 (recommended)
- Under this option, the City contribution would be equal to \$30,000 per unit, or \$40,540.54 per affordable unit, representing 24% of the total project cost.
- Community/Citizen Impacts
 - Social- Affordable housing units are critically needed in the community and this project would result in 37 new units in this category.
 - Economic- As the funding source for this project is held in reserve, Administration does not anticipate an economic impact to the broader community at this time.
 - Environmental- As this project does not include the development of presently undeveloped space, Administration does not anticipate an environmental impact currently.
- Risk
 - There is a low financial risk level of this allocation, which can be managed by the conditions of the grant disbursement listed above (permit securement, evidence of matching funding for the balance of the project, and/or securement of provincial grant funding).
- Implementation/Communication
 - If the funding allocation is approved, CSD will work with CIPL and the City Solicitor's office to develop a grant funding agreement, which will contain any relevant

conditions of the funding. The agreement will detail the claims process, the reporting requirements, and other terms/conditions of the grant.

- The standard funding agreement for these types of projects includes that the City will be made aware of any public communications/advertising of the project. The City will work with CIPL to ensure that communications are occurring cohesively.
- Upon the project's completion, CSD will work with funded service providers to notify of the new housing availability, to ensure that the space is used effectively and immediately.

Option 2

- **City Council may allocate \$1,295,000 (or an alternative amount as directed by Council)**

which can be conditional to the following:

- Successful Permit Issuance
 - Successful securement of funding for the balance of the project on or before December 31, 2024
- Under this option, the City contribution would be equal to \$35,000 per **affordable** unit and would represent approximately 21% of the total project cost. This per unit figure aligns with previous allocations amounts for affordable housing projects.
 - Community/Citizen Impacts
 - Social- Same as Option 1
 - Economic- Same as Option 1, except that under this option, CIPL would be required to secure additional funding from other sources to support project viability
 - Environmental- Same as Option 1
 - Risk
 - Same as Option 1, except that this option requires additional funds from other sources (in the amount of \$205,000). If the additional funding could not be secured by CIPL, the Project may not be financially viable.
 - Implementation/Communication
 - Same as Option 1

Option 3

- **City Council may elect to not fund the project**, and CIPL would be required to seek alternative funding for the project or would continue with the project without the requirement to maintain any of the housing units as affordable.
- The Option provides the highest likelihood that the project will be unsuccessful in securing provincial grant funding and may result in the project not being financially viable as affordable housing.
- Community/Citizen Impacts
 - Social- Affordable housing units are critically needed in the community and this project would result in 37 new units in this category. If Option 3 is selected and the

project is found to no longer be financially viable, this may result in 37 potential units not being available to the community.

- Economic- With no funding allocation and potentially no change of use at the existing location, this option would have no economic impact on the community.
- Environmental- No impact.

- Risk

- With no municipal allocation, there is no financial risk to Option 3

- Implementation/Communication

- Community Social Development will continue to work with CIPL as a community stakeholder but will not engage in formal support of this specific project.

Attachment(s)

1. Grant Funding Request
2. Grant Funding Request Submission Data
3. Project Snapshot

Link(s)

1. [2023 Income Thresholds](#)
2. [Municipal Housing Strategy](#)
3. [City Council Meeting Minutes- May 30, 2023](#)
4. [City Council Meeting Minutes- May 16, 2023](#)

Approvals

Department Director: Carly Kleisinger

City Manager: Lloyd Brierley