



**Town of Hinton  
Special Meeting of Council  
AGENDA  
November 21, 2020 - 3:30 PM  
Council Chambers, Hinton Government  
Centre  
2nd Floor, 131 Civic Centre Road  
Hinton, Alberta**

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**ADOPTION OF AGENDA**

1. Special Meeting of Council Agenda

**ACTION ITEMS**

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1. Rapid Housing Initiative Grant and Seed Funding Grant Applications

**ADJOURNMENT**



# TOWN OF HINTON Administrative Report

DIRECTION REQUEST     REQUEST FOR DECISION     INFORMATION ITEM

**DATE:** Special Council Meeting of November 21, 2020

**FROM:** Emily Olsen, Chief Administrative Officer

**RE:** **RAPID HOUSING INITIATIVE GRANT AND SEED FUNDING GRANT APPLICATIONS**

## Recommended Action

*That Council direct Administration to pursue Option 3 as the preferred approach – A Collaborative Partnership approach in the development of the Boutin Avenue lands with other organizations and developers and collaboratively seek other sources of grant funding to provide affordable housing through a phased approach.*

*That Council direct Administration to make application for the Canada Mortgage and Housing Rapid Housing Initiative Grant and the SEED Funding Grant using Colliers Project Leaders consulting services to an amount not to exceed \$45,500.*

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## Background

The Town of Hinton has been exploring development opportunities for the undeveloped, Town owned lands at the intersection of Boutin Ave and Drinnan Way since 2018. In November 2019, Administration retained the services of V3 Companies of Canada to prepare a due diligence report for the three (3) parcels owned by the Town, and located at 133, 159, and 134 Boutin Avenue. In July 2020, the design team from V3 and ncx+ conducted the Boutin Avenue design charrette at Government Centre. The Boutin Avenue design charrette was an intensive collaborative engagement process that saw the project go from a vision stage to a final preferred concept design over a four-day period. On October 27, 2020 Standing Committee recommended to Council that:

*“the Town pursue Option 3 as the preferred approach – A Collaborative Partnership approach in the development of the Boutin Avenue lands with other organizations and developers and collaboratively seek other sources of grant funding to provide affordable housing through a phased approach.”*

Administration is now exploring opportunities to secure grants to assist with both the servicing and construction of the Boutin Avenue lands pursuant to principles established in the design charrette. There are two potential grant applications available from Canada Mortgage and Housing Corporation. The first grant is the Rapid Housing Initiative (RHI). The second grant opportunity is the SEED Fund. The Rapid Housing Initiative is a \$1 billion program to help address urgent housing needs of vulnerable Canadians, especially in the context of COVID-19, through the rapid construction of affordable housing. The initiative provides capital contributions under two streams to expedite the delivery of affordable housing.

Written by: Peter P. Vana, Director of Development Services

The RHI will:

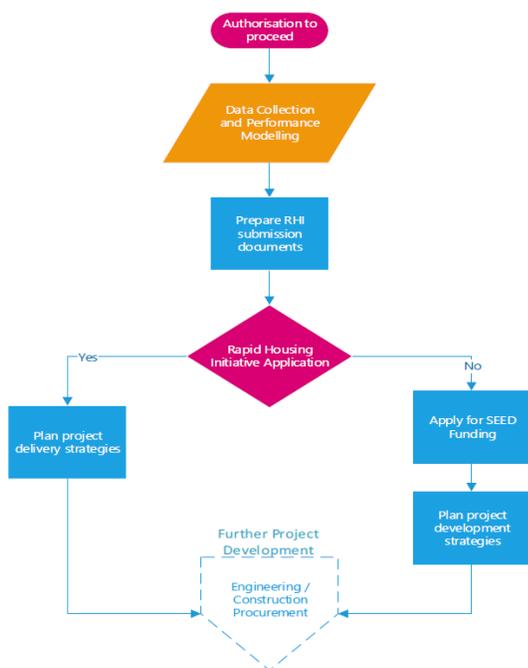
- Support the creation of up to 3,000 new permanent affordable housing units; and
- Cover the construction of modular housing, as well as the acquisition of land, and the conversion/rehabilitation of existing buildings to affordable housing.

The aim is to commit all funds before March 31, 2021, and ensure housing is available within 12 months of agreements, and the deadline for applications is December 31, 2020. The Town would pursue this application under the grant requirement of standard rental, transitional, permanent supportive housing, for seniors housing for phase 1 - the tiny home development area under the Boutin Ave lands.

The second grant opportunity the Town is pursuing is called the SEED funding grant. The purpose of the SEED Funding grant is support costs for completing pre-development activities related to the construction of new affordable housing supply or renovation of existing affordable housing supply. There are no restriction on the type, building form or future residents of the project, and there must be a minimum of five affordable units and the project must be primarily residential in nature. The Town would pursue this application under the grant requirement of community and affordable housing, mixed-used market / affordable rental, or standard rental, transitional, permanent supportive housing, for seniors housing. This grant could provide sufficient dollars to prepare the detail servicing designs for the entire Boutin Avenue lands. CMHC does not specify their timeframe for their review period of Seed Funding applications. Based on experience, the review period is typically between 30 to 60 days.

The objective of outing both these grant programs is to pursue both grants. The work needed to prepare the RHI grant can also be used to prepare the SEED funding grant. Administration will require outside resources in order to prepare these grants and would utilize the consult to prepare and submit for both grants.

Below is our proposed work plan and scope of services for developing the abovementioned project. The consultant would carry out initial data collection and studies, to prepare the project for funding application under the Rapid Housing Initiative (RHI). If the project is unable to be processed under this stream, then the Town will pursue the CMHC seed funding application. Based on the results of the funding application.



## Analysis

During the Council meeting held November 17, 2020, had expressed a desire to see the analysis of how the Boutin Avenue land could qualify for the Rapid Housing Initiative Funding. Below is a summary of the analysis of the project parameters and how it can fit the eligibility requirements for Rapid Housing Initiative Funding for the tiny home development in phase 1 of the Boutin Avenue lands.

	Mandatory Minimum Requirements for Eligibility	Project Compliance	
1	Standard rental, transitional, permanent supportive housing, single room occupancy and seniors housing (excludes delivery of healthcare)	Seniors housing. Or affordable rental for any other vulnerable population.	<input checked="" type="checkbox"/>
2	Must have a minimum of five units or beds	Minimum 7 beds	<input checked="" type="checkbox"/>
3	Minimum contribution request of \$1M	\$1.7 million plus \$1 million for land costs	<input checked="" type="checkbox"/>
4	Primary use is residential	Residential	<input checked="" type="checkbox"/>
5	Permanent housing (long term tenancy, 3 months or more)	Long term tenancy	<input checked="" type="checkbox"/>
6	Eligible applicants: • Municipal, Provincial, and Territorial Governments including their agencies • Indigenous governing bodies and organizations • Non-profit organizations	Municipal Government (partnered with Non-profit organization)	<input checked="" type="checkbox"/>
7	Property Management Experience	Partnership with housing management body such as Evergreens Foundation	<input checked="" type="checkbox"/>
8	Construction Management Experience	Colliers Project Leaders will be able to support in qualifying for this criterion. Evergreens Foundation's new project experience at Hinton will also add value to this criterion.	<input checked="" type="checkbox"/>
9	Project Expediency: Ready to occupy in 12 months from commitment of funds	Colliers Project Leaders will be managing the project delivery strategies to ensure completion in 12 months. A Design Build project delivery with modular construction technology will ensure timely completion of the project. Modular construction is a stated requirement of the program.	<input checked="" type="checkbox"/>
10	Financial Viability	Government applicants are not required to prove this.	<input checked="" type="checkbox"/>
11	Affordability must be maintained for 20 years	Affordable rental strategies such as rent geared to income will demonstrate the compliance to these criteria. Town must come into an agreement with the operator to ensure that the rental shall remain affordable through this period. A letter of intent will satisfy the requirement at the application stage.	<input checked="" type="checkbox"/>
12	Energy efficiency: The RHI will give priority to modular construction projects that can exceed the energy efficiency standards as set out in the 2015 National Energy Code for Buildings (NECB) or local/regional standard (whichever is higher)	Project specification for tender will include minimum energy efficiency guidelines to ensure that project meets a specified energy efficiency criterion thereby ensuring eligibility. The proponents will also be required to carry out energy modelling to demonstrate compliance.	<input checked="" type="checkbox"/>
13	Target Population: • Homeless people or those at risk of homelessness • Women and their children fleeing domestic violence • Black Canadians • Indigenous peoples • Racialized groups • Seniors • Young adults • People with disabilities • People dealing with mental health and addiction issues • Veterans • LGBTQ2+ • Recent immigrants or refugees	Our primary target is Seniors. If Town of Hinton can identify any other vulnerable population within the community, the project will have a higher chance of acceptance. Specific targets of higher importance to the program are: • Homeless people or those at risk of homelessness • Women and their children fleeing domestic violence • Black Canadians • Indigenous peoples	<input checked="" type="checkbox"/>

## RHI APPLICATION SUCCESS ANALYSIS

The acceptance of the project under Rapid Housing Initiative is based on the Town's application for funding demonstrating higher relevance/ compliance than other applications in the pool. Based on the review of the project parameters, Administration agree with the consultant's analysis and believe that the project has a reasonable success rate for acceptance, considering the following:

1. Land Status: The land required for the project is readily available and therefore the land equity is already brought in by the Town of Hinton.
2. Size of project/ funding: As our funding requirement is only \$1.7 Million, there is a higher probability of acceptance to available funds from the pool.
3. Contribution: Projects providing an equity contribution will have a higher probability of acceptance.
4. Project Delivery Success: The partnerships, strategies and past experiences of the project team will demonstrate that the project can be successfully delivered on time and within the allotted budget.
5. Operations experience: Partnering with a housing management body such as Evergreens foundation will demonstrate the required operations experience and effectiveness of affordable housing strategies based on their market reputation.
6. Demonstration of operational support: The Town demonstrating operational support reduces the risk or guaranteeing operational sustainability.
7. Higher energy targets: Additional consideration is given to projects with higher energy targets. Based on recent projects, we believe that the higher energy targets are reasonably achievable. Achieving energy targets are to be demonstrated by a modular builder. An energy consultant's modelling study should be enough to demonstrate compliance.
8. Costing analysis: It is recommended that a cost consultant or design professional, is engaged early on to address costing concerns.
9. Past application success: Colliers Project Leaders team have a good working relation with CMHC and have been highly successful in previous applications for funding under different streams. Our team of Advisors are currently working on several other project applications for Rapid Housing Initiative and are well versed with the documentation requirements.

### Implications of Decision

Financial Implications	
Items	Comments
Operating Cost/Implications	There are no operating costs / implications by approving this report.
Capital Cost	\$0
Budget Available	\$ 45,500 in the Development Services Consulting Services
Source of Funds	Development Services
Unbudgeted Costs	N/A

### Level of Service Implications

- No impact to service levels or human resources.

### Public Engagement

- The design charrette informed, consulted, and provided an interactive collaborative public engagement process involving internal stakeholders (Council and departments) and external stakeholders (Evergreen, residents, builders, contractors, architects, designers, engineers, and planners).

### Communications

- The design charrette was advertised, and invitations will be sent out to external stakeholders. The final report was presented to Standing Committee and has been posted on the Town's website and communicated through Civicsend.

**Risk / Liability**

- The risk of not applying for the RHI funding will be an opportunity lost to not secure funding for the whole cost of building the first phase of the Boutin Avenue lands.
- The risk of receiving and commencing work on phase 1 will be the Town will need to mobilize resources to complete the project within one calendar year and partnership with a group like Evergreen to operate the project. The operating partner is a risk the Town would need to address regardless of the project timeline.
- There are no risks to simply applying for the SEED Funding grant.

<b>Legislative Implications</b>		
<b>Conforms with:</b>	<b>Yes/No/Partial</b>	<b>Comments</b>
<b>Council's Strategic Plan</b>	Yes	Goal 2: Increase Hinton's housing choices to provide affordability and attainability for all. Objective 2.1, Stimulate development of housing stock on a targeted basis with a focus on seniors' housing.
<b>Community Sustainability Plan</b>	Yes	Strategy 7: Continue to develop the Hinton Community as a socially diverse and inclusive community that cares. Actions 2.7.1, 2.7.6, 2.7.7
<b>Municipal Policies or Bylaws</b>	Yes	Objectives 7-3(a), (b) and (c) Hinton has a range of housing to meet residents' needs.
<b>Provincial Laws or MGA</b>	No	N/A
<b>Other plans or policies</b>	Yes	Hinton's Integrated Housing Strategy and Social Development Strategy

**Options / Alternatives**

1. That Council direct Administration to pursue Option 3 as the preferred approach – A Collaborative Partnership approach in the development of the Boutin Avenue lands with other organizations and developers and collaboratively seek other sources of grant funding to provide affordable housing through a phased approach.
2. That Council direct Administration to make application for the Canada Mortgage and Housing Rapid Housing Initiative Grant and the SEED Funding Grant using Colliers Project Leaders consulting services to an amount not to exceed \$45,500.
3. That Council direct Administration to make application for the Canada Mortgage and Housing SEED Funding Grant using Colliers Project Leaders consulting services to an amount not to exceed \$35,500.
4. That Council direct Administration to seek collaborative partnerships with other organizations and other sources of grant funding to provide affordable housing through a phased approach.

**Attachment(s)**