

Indigenous Housing Capital Program Guide

Alberta Seniors and Housing

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Indigenous Housing Capital Program: Program Guide

TABLE OF CONTENTS

Table of Contents	3
Introduction	1
Terminology	2
Program Objectives	2
Target Population	3
Eligibility	4
Alignment With Findings From 2017 and 2020 Engagement.....	5
Timeline	7
Evaluation	7
Evaluation of Grant Applications	7
Grant Funding Agreement	11
Reporting Requirements.....	11

INTRODUCTION

The Government of Alberta is committed to partnering with Alberta's Indigenous peoples in pursuit of reconciliation, inclusion, and opportunity. This includes supporting the development, delivery, and ownership of affordable housing by Indigenous communities for Indigenous peoples in need. Increasing access to affordable rental housing will help to improve social and economic outcomes for Indigenous communities in Alberta.

The Government of Alberta, through the Alberta Social Housing Corporation (ASHC), is providing capital funding over multiple years to increase the supply of affordable off-reserve, off-settlement, and on-settlement housing units for Indigenous peoples in need. This funding will be delivered through the Indigenous Housing Capital Program (IHCP). Supporting housing that is designed, delivered, and owned by and for Indigenous peoples is a key objective of this investment.

IHCP is based upon the Government of Alberta's commitment to work with Indigenous governments and organizations in Alberta to:

- increase the overall supply of affordable housing for Indigenous peoples in Alberta based on identified and verified needs within communities;
- ensure Indigenous households in Alberta with low- to moderate-income have access to affordable and adequate housing that meets their basic needs; and
- support housing design, delivery, and ownership by Indigenous peoples.

IHCP also reflects the Government of Alberta's commitment to supporting operationally sustainable affordable rental housing in the province. Projects that incorporate public-private partnerships (P3s) and/or mixed-income housing models are encouraged under IHCP.

This program will provide funding for the planning of new projects, and/or the construction of planned projects. New projects that receive funding for planning will be developed to the schematic design phase and may be considered for additional funding to complete project construction. **Note the approval of funding for project planning does not guarantee funding for project construction.**

Municipalities, housing management bodies, and/or not-for-profit organizations may partner with Indigenous governments and/or organizations in the development and delivery of Indigenous affordable housing projects.

Projects will be required to remain affordable for a minimum of between 10 to 20 years, depending on the rental model, or as agreed upon by Alberta Seniors and Housing and the applicant.

Project applicants must have an equity stake of at least 10 per cent of the project cost.

Compliance to the requirements under the grant funding agreement will be monitored. Non-compliance to the agreed upon requirements may result in penalties and/or the withdrawal or repayment of the grant funding.

Terminology

Affordable Housing

Housing is considered “affordable” when a household spends no more than 30 per cent of its gross income on shelter.

Core Housing Need

A household is in core housing need if its housing does not meet one or more of the adequacy, suitability or affordability standards, and it would have to spend 30 per cent or more of its before-tax income to access acceptable local housing (see “Identifying Core Housing Need” <https://www.cmhc-schl.gc.ca/en/data-and-research/core-housing-need/identifying-core-housing-need>).

Indigenous Governments and Indigenous Organizations include:

- First Nations governments in Alberta
- Metis settlements
- Metis Settlements General Council
- Métis Nation of Alberta
- Tribal Councils and Treaty Organizations in Alberta
- Alberta Native Friendship Centres Association
- Institute for the Advancement of Aboriginal Women
- An organization which represents an Indigenous government as demonstrated by resolution of its governing body.

Indigenous Households

Indigenous Households include any single family household in which at least one spouse, adult interdependent partner or lone parent is Indigenous; any multiple family household where at least one of the families in the household is an Indigenous family; or two or more individuals sharing accommodation where at least 50 percent of the household is Indigenous.

Indigenous Peoples

Indigenous peoples include First Nations, Métis and Inuit who are Indigenous to Canada.

PROGRAM OBJECTIVES

The objective of the IHCP is to increase the supply of affordable housing units for Indigenous peoples in need through construction (including additions/extensions), purchase and repurpose.

Units may be used for rental or lease-to-purchase.

Expected Outcomes:

- Reduce the number of Indigenous households in core housing need.
- Increase the supply of affordable housing units operated by Indigenous partners.
- Increase the capacity of Indigenous communities to provide affordable housing.
- Increase the number of Indigenous housing units that are located close to amenities.
- Increase the number of Indigenous housing units that are culturally appropriate.

TARGET POPULATION

A significant proportion of Indigenous peoples living off reserve, and well as on and off settlement, in Alberta are in core housing need. The IHCP is intended to begin to address this need. IHCP funding will accept Grant Applications for projects that target:

- Indigenous households in core housing need.
- Indigenous households with annual incomes below the income thresholds for the communities in which the housing is located. Income thresholds vary by region and can be found at: <https://open.alberta.ca/publications/income-thresholds>;
- Indigenous households who are on, or eligible to be on, a social housing waitlist;
- Indigenous households living in inadequate, shared or overcrowded accommodation;
- Indigenous households living in housing detrimental to their health and safety¹; or
- Indigenous households with special needs (i.e., accessibility needs).

Grant Applications for family housing options will be prioritized. Specialized family populations, such as Indigenous women fleeing violence, Indigenous households attending school, Indigenous households in remote locations, etc., are sub-target populations of the IHCP. Grant Applications for housing for other Indigenous populations where there is a substantiated need will also be considered (e.g., students, singles, etc.).

Applicants are responsible for establishing tenant eligibility and selection criteria. These criteria may prioritize housing for those most in need.

¹ Projects need to meet the Minimum Housing and Health Standards as established under Alberta's Public Health Act M.O. 57/2012 (<https://open.alberta.ca/publications/minimum-housing-and-health-standards>).

ELIGIBILITY

An applicant or project that does not meet the following eligibility criteria will **not** be considered for grant funding.

Applicants must:

- Be an Indigenous government or organization, or be formally partnering with an Indigenous government or organization.
 - Indigenous governments or organizations must provide documentation of resolution or motion by governing body in support of the application, such as band council resolutions (First Nations), council resolutions (Metis settlements/Metis Settlements General Council), provincial council resolutions (Métis Nation of Alberta (MNA)/MNA regions), board motions (Métis locals), or board motions/letters of support (Friendship Centres, other Indigenous organizations).
 - Non-Indigenous organizations, such as municipalities, housing management bodies, and/or not-for-profit organizations must formally partner with an Indigenous government or organization in the design and delivery of the housing to be eligible for IHCP funding. Formal partnerships are demonstrated through resolution by an Indigenous governing body as well as a Memorandum of Understanding or Agreement (MOU/A) between the non-Indigenous government/organization and the leadership of an Indigenous government/organization. This documentation must include a description of ownership/title, and clearly identify the division of equity in the proposed project as well as the respective responsibilities of each partner in the design and delivery of the housing.
 - Indigenous governments and organizations in Alberta will be prioritized for IHCP funding.
- Demonstrate capacity to develop and deliver housing projects, preferably to Indigenous peoples.
 - Applicants that do not have sufficient experience may partner with a government or organization that does.
 - Consideration will be given to relevant work completed in the past, relevant projects, and experience with delivering affordable housing.

Projects must:

- Provide affordable housing to Indigenous peoples.
- Be financially sustainable and not require any operational funding from Alberta Seniors and Housing to sustain or maintain the project once complete.
- Address a proven need for affordable housing as demonstrated by waiting lists for housing; number of members living off reserve/on settlement/off settlement who are in core housing need; population projections; provincial and local housing needs assessments; and other

housing options in the community. Other community barriers to housing specific to Indigenous peoples living in Alberta, such as discrimination, may be considered.

- Remain affordable for a minimum of between 10 to 20 years, depending on the rental model, or as agreed upon by Alberta Seniors and Housing and the applicant.

Eligible Costs/Expenses include:

- Land acquisition
- Permit , re-zoning, and development
- Architectural consulting
- Construction of new units, or the purchase and renovation of existing units and the conversion of non-residential space to residential units
- Appraisal and legal fees
- Site improvements, such as landscaping

Ineligible Costs/Expenses include:

- IHCP funding cannot be used for the provision of support services or any costs associated with operating a completed project. These costs must be funded through other sources.
- IHCP funding cannot be used for on-reserve housing; shelters; rent supplements; home repairs; or market housing outside of a mixed-income housing model.
- IHCP funding cannot be used to reimburse capital expenditures of projects completed or near completion at the time of application.

This call for Grant Applications is intended to solicit planning and construction projects to begin in 2020/2021.

The selection of projects to be ultimately approved for funding will depend upon amount of funding available, the viability of the Grant Applications received and competing capital demands.

ALIGNMENT WITH FINDINGS FROM 2017 AND 2020 ENGAGEMENT

2017 Engagement

A province-wide engagement was conducted with Indigenous and Indigenous-serving stakeholders from May 31, 2017 to July 4, 2017 to determine who is most in need of affordable rental housing, where in the province affordable rental housing is most needed, and what characteristics affordable rental housing should have. Key findings from the tour include:

- Families are the demographic most in need of affordable rental housing;
- Most needed type of housing is three and more bedroom units;
- Housing needs to be in safe and secure neighbourhoods, close to wraparound supports, grocery stores, schools and transit;
- Culturally sensitive housing is needed to accommodate multi-generational housing, with communal spaces for meetings and ceremonies, such as smudging; and
- Indigenous housing needs to be designed and delivered by Indigenous governments or organizations that are accountable to their communities and citizens.

These findings were used to inform IHCP and are reflected as follows:

- Family housing: Priority will be given to projects targeting Indigenous families that incorporate larger units (i.e., three or more bedrooms);
- Culturally appropriate housing: Priority will be given to projects that incorporate culturally sensitive programming and service delivery, such as meeting/ceremonial space, smudging and multigenerational housing;
- Supports: Priority will be given to projects that assist in the improvement of a tenant's well-being and prospects for being housed successfully; and
- Proximity: Priority will be given to projects that situate housing close to necessary supports, transportation, schools, emergency services, other services and amenities.
- Indigenous-design and -delivery of housing: Priority will be given to Indigenous applicants.

2020 Engagement

In March and April 2020, those governments and organizations that submitted Grant Applications were engaged with as part of a review on proposed changes to IHCP.

Applicants were asked about how incorporating a mixed-income operational model might affect their proposed projects and if it would serve the identified needs of their community. The majority of respondents expressed support for a mixed-income operating model, with some respondents stating their projects already include a range of affordability for operational sustainability.

Applicants were also asked if public-private partnerships (P3s) would affect their proposed projects and the potential for forming partnerships to support their projects. The majority of respondents recognized the importance of partnerships, with some indicating they have already established partnerships with other orders of government and the private sector for their projects.

Applicants were asked how a reduction in capital funding would affect the financial feasibility of their proposed projects; they were also asked to indicate the minimum percentage of capital funding from IHCP that would be required to maintain the viability of their proposed projects. Respondents indicated proposed projects would need between 25 to 80 per cent of capital costs to be covered by IHCP funding.

Finally, applicants were asked about expanding the definition of "affordable housing" beyond rents being set at 30 per cent of gross household income. No respondents expressed support for

broadening the definition of affordability.

These findings were used to inform IHCP redesign and are reflected as follows:

- In addition to affordable units, with rents set at 30 per cent of gross household income, IHCP funding can be used for below market and market units for projects using mixed-income housing models. This change supports the long-term operational sustainability of housing for Indigenous peoples.
- IHCP funding can be used for up to 90 per cent of total project costs for units designated for Indigenous households with annual incomes below the income thresholds for the communities in which the housing is located. Income thresholds vary by region and can be found at: <https://open.alberta.ca/publications/income-thresholds>.

Applicants submitting a Grant Application for IHCP funding must describe how the proposed project meets some or all of the priorities identified through engagement activities in 2017 and 2020.

Selected projects are expected to remain as affordable housing for the intended timeline of between 10 to 20 years, or as agreed to by Alberta Seniors and Housing and the applicant.

TIMELINE

Applications for 2020/21 planning and construction funding will be available on July 16, 2020, and will be accepted on a continuous basis.

CALL FOR GRANT APPLICATIONS	July 16, 2020
DEADLINE FOR FIRST QUARTER	September 30, 2020

Applications will be evaluated on a quarterly basis, with upcoming deadlines scheduled for December 31, 2020 and March 31, 2021.

The above dates are provided for information only and are subject to change at the sole discretion of the Alberta Social Housing Corporation and/or Seniors and Housing

EVALUATION

Grant Applications will be individually assessed to ensure all the required documentation and information is provided before they can be further considered for funding. Applications that are incomplete, or not meeting the outlined eligibility criteria, will not be considered.

Evaluation of Grant Applications

The evaluation of Grant Applications will be done by a cross-ministry review panel based upon the criteria specified below. The cross-ministry review panel will meet after each quarter to evaluate applications. The cross-ministry review panel will then make a recommendation to the Minister of Seniors and Housing on what projects have met the criteria outlined in this document and which projects should be considered for capital planning funding and included as part of the Budget 2021 Capital Planning process.

EVALUATION CRITERIA FOR PROJECT PLANNING PROPOSALS	POINTS
<p>PROPOSED DELIVERABLE MEETS NEED: Proposed deliverable (i.e., business case, feasibility study, needs assessment, other) is logical based on identified need</p>	20
<p>ESTIMATES WITH COST BREAKDOWN:</p> <ul style="list-style-type: none"> Estimates from consultants are provided Detailed information is provided on how funding will be spent to achieve deliverable(s) (e.g., breakdown of costs, schedule to complete deliverable(s)) 	40
<p>DEMONSTRATED UNDERSTANDING OF NEED: Vision/long-term plan for housing demonstrates an understanding of the need for housing for targeted group</p>	40

Stage One: Basic Eligibility

Applicants must achieve a passing score on **all** basic eligibility criteria in order to progress to Stage Two: Evaluation of Proposed Project.

BASIC ELIGIBILITY CRITERIA	PASS/FAIL
<p>CAPACITY OF APPLICANT</p> <p>Applicant(s) demonstrates capacity to develop and deliver projects, preferably to Indigenous peoples. Detail the following:</p> <ul style="list-style-type: none"> Demonstration of property management experience (i.e., rent collection, maintenance, housing policy and process to select tenants). 	Pass/Fail

<ul style="list-style-type: none"> • Demonstration of experience in delivering affordable housing. 	
<p>APPLICANT</p> <p>Applicant is an Indigenous government or organization (as defined under <u>Terminology: Indigenous Governments and Indigenous Organizations</u>).</p> <p>Applicant is partnering with Indigenous government or organization.</p>	Pass/Fail
<p>TARGET POPULATION</p> <p>Indigenous peoples</p> <p>Low- to moderate-income Indigenous households</p>	Pass/Fail
<p>OPERATIONAL FUNDING</p> <p>Project is sustainable and does not require operational funding. Detail the following:</p> <ul style="list-style-type: none"> • Mitigation plan if tenants' incomes are significantly under maximum income thresholds. • Mitigation plan for inflation, vacancies, rental arrears, damage to units, exceptional damage/unpredictables. • Costing if support services are being offered. Must identify supporting agencies. • Documentation of all secured funding sources. • Debt servicing plan, if applicable. 	Pass/Fail
<p>NEED</p> <p>Provide an explanation of the need for affordable housing for the specific Indigenous community to be served.</p> <ul style="list-style-type: none"> • Provide evidence of need (i.e., waitlists for housing, number of members living off reserve/on settlement/off settlement who are in core housing need, needs assessment). • Connect proposed project to need identified. 	Pass/Fail

Stage Two: Evaluation of Proposed Project

EVALUATION CRITERIA FOR CAPITAL PROJECT PROPOSALS	POINTS
IMPLEMENTATION PLAN: Implementation plan for project including timeline for build, project phases, deliverables and target dates, risk assessment with mitigation strategies. Also considers integration with community and property zoning.	15
ALIGNMENT WITH GOVERNMENT OF ALBERTA STRATEGIC PRIORITIES: Considers economic development, partnerships and innovation, and benefitting communities. Examples include priorities identified in Alberta's Recovery Plan, such as creating jobs and building core infrastructure.	10
ALIGNMENT WITH FINDINGS OF 2017 PROVINCE-WIDE ENGAGEMENT: <ul style="list-style-type: none"> • Family housing – targets families that need larger units (i.e., three or more bedrooms). • Culturally appropriate housing – includes programming and service delivery, such as meeting/ceremonial space, smudging and multigenerational housing. • Supports – to assist in the improvement of a tenant's wellbeing and prospects for being housed successfully. • Accessibility – is situated close to necessary supports, transportation, schools, emergency services, amenities, and other services. 	15
COMMUNITY ENGAGEMENT: Demonstration of involvement of local Indigenous communities, other housing and housing supports service providers, and community tenants and business owners as appropriate in the planning of the project.	10
FINANCIAL VIABILITY OF PROJECT: Assessment of project funding model (including funding agreements with other partners, and compliance with those agreements).	15
FINANCIALS: Review of financial statements for past three (3) years.	15
AFFORDABILITY: Demonstration that the proposed project is	15

<p>operationally sustainable with all or a portion of rental rates set at no more than 30 per cent of gross household income. Alberta Seniors and Housing will not be providing any operational funding to sustain or maintain the project once complete.</p>	
<p>VALUE ADD: Innovation, application of set-aside criteria. Set-aside program criteria incorporates a procurement strategy for Indigenous businesses in order to stimulate Indigenous business development.</p>	<p>5</p>

Projects must include a rough order of magnitude cost estimate that includes an itemized breakdown of the projected capital costs and all funding sources to pay for these costs. In addition, a five year projection of annual revenues and operating costs is required.

- If the project includes affordable housing units mixed with market units, a breakdown of the entire project costs and separate breakdown of the total capital costs associated specifically with the affordable units are required.
- If the project uses green technologies and/or incorporates revitalization elements, these additional costs must be identified separately.

Home ownership proposals must include the name of the partnering non-profit organization, details of how the non-profit organization will administer the project, a sales/marketing plan, client eligibility guidelines, a client selection process, and client payment details.

GRANT FUNDING AGREEMENT

The Applicant of each approved project will be required to enter into a conditional grant funding agreement with the Alberta Social Housing Corporation. Compliance to the requirements under the grant funding agreement will be monitored. Non-compliance to the agreed upon requirements may result in penalties and/or the withdrawal or repayment of the grant funding.

REPORTING REQUIREMENTS

Successful applicants will be required to report on the following:

- Operating/Financial model including
 - Address of project(s)
 - Estimated number of units per project

- Estimated number of units allocated for those in need
- Estimated number of units allocated for Indigenous households
- Estimated number of units at market rent vs. below market
- Project income vs. expenses to demonstrate cost neutrality
- Development progress
 - Actual address of project(s)
 - Actual number of units per project
 - Actual number of units allocated for those in need
 - Actual number of units allocated for Indigenous renters
 - Actual number of units at market rent vs. below market
- Financial status
 - Actual total cost per project
 - Actual cost per door
 - Actual annual operating cost
 - Actual income from rent by:
 - Households in need
 - Households at/below market rent
 - Funding revenue
- Ongoing tenant/waitlist profile reporting as developed by Seniors and Housing, e.g.:
 - Indigenous/non-Indigenous households
 - Annual Household income
 - Units occupied/unoccupied
 - Household composition
- Six month and Exit surveys for tenants, as developed by Seniors and Housing, e.g.:
 - Why people are moving out of the building
- Applicant's perception of success of the project at the anniversary milestone