



Surplus School Site **Program Guide**

Fall 2024

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City of Edmonton
Housing Action Team & Real Estate
edmonton.ca/SurplusSchoolSitesListings

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INTRODUCTION

Edmonton is growing quickly and so is the need for more safe, adequate and affordable housing. Already, more than 46,000 households (1 in 8) are in Core Housing Need, meaning they pay more than 30% of household income on housing costs, or live in crowded or unsafe conditions, and can't afford to move. Renters are four times more likely to be in housing need, and particular groups—including seniors, single mothers, Indigenous and racialized people—face even more limited housing choices. At the same time, market rent is rising and Edmonton has about half of the purpose-built rental supply it requires to meet demand.

All Edmontonians should be able to find safe, adequate and affordable housing in the neighbourhoods they love. Providing shovel-ready land for affordable housing development is one of the most effective tools the City of Edmonton has to address this housing crisis. The surplus school sites offer an opportunity to create critical social infrastructure in 11 vibrant and established communities.

Affordable housing is long-term housing for households that earn below the median income for their household size. Monthly rent must fall below the City's [Maximum Allowable Rental Rates \(MARR\)](#): 80 percent of average market rental rates, as determined annually by the Canada Mortgage and Housing Corporation (CMHC).

This program guide directs the allocation of City resources in the creation of new affordable housing units on Surplus School Sites that fall under [Council Policy C583A](#):

- Belmont;
- Blue Quill;
- Caernarvon (north);
- Dunluce;
- Kiniski Gardens (north);
- La Perle (west);
- Lymburn;
- Miller;
- Overlanders;
- Summerlea; and
- Wedgewood Heights.



Source: City of Edmonton 2023
Housing Needs Assessment

Each of these sites has been subdivided, rezoned and had its municipal reserve designation removed. Nine of the sites are zoned RMh16; Blue Quill and Summerlea are zoned RMh23. Deferred servicing requirements are included as a restrictive covenant on title. The City will provide funding for developers to complete required municipal improvements.

Funds for the development of these sites are provided through the federal government's [Housing Accelerator Fund](#). To meet eligibility requirements of the fund, building permits on these sites must be approved by no later than September 2026.

APPLICANT ELIGIBILITY

The Surplus School Site Program is open to non-profit organizations, for-profit entities, and partnerships between non-profits and for-profit entities that demonstrate they meet the mandatory minimum requirements.

Current MOUs or Letters of Intent on Housing

The Confederacy of Treaty Six First Nations
Treaty Eight First Nations of Alberta
Otipemisiwak Métis Government (formerly Métis Nation of Alberta)
Enoch Cree Nation
Kehewin Cree Nation
Bigstone Cree First Nation

Additional consideration will be given to proposals led by or that include the participation of Indigenous organizations (or their affiliates) that have current Memorandums of Understanding or Letters of Intent on Housing to work collaboratively with the City of Edmonton.

PROGRAM DETAILS

The development of these sites is guided by a policy ([C583A](#)) that prioritizes access to affordable housing, more choice in the type of housing available (excluding single detached homes), and the integration of housing, services and amenities. Developments that the City will consider for sale or lease and funding on the sites include, but are not limited to:

- Affordable near-market rental
- Mixed-income developments with an affordable housing component
- Mixed-use developments with an affordable housing component
- Mixed-use / Mixed Income developments that include affordable home ownership along with affordable housing rental units within the larger parcel*
- Rent-geared-to-income/deep subsidy
- Permanent supportive housing

** If affordable homeownership is proposed, a detailed model outlining how ownership would be permitted while maintaining long-term affordability and the Applicant's involvement in the model, such as through a buy-back option or otherwise, is required as part of the application.*

Building permits must be approved by no later than September 2026.

To incentivize the development of affordable housing on these sites, the City will provide capital contributions up to 25 per cent of the total project cost. This is inclusive of the value of the land and the Affordable Housing Construction Grant outlined below. Land servicing subsidies are not included in this calculation.

Land Sale or Lease Below Market Value

Subject to Executive Committee and/or City Council approval, Surplus School Sites will be available for sale or lease at below market value to successful proponents. If the successful applicant proposes to purchase a site, it will be required to enter into a Sale and Development Agreement and a Buy Back Option Agreement for the Development. If the successful applicant proposes to lease a site, it will be required to enter into a Lease. For details regarding review of land sale or lease proposals, refer to [Decision Making and Agreements](#).

Minimum of 30 per cent of total housing in a project or across portfolio must be affordable.

Affordable Housing Construction Grant

A minimum of 30 per cent of total units in a project, or across a portfolio of proposed projects, must be secured as affordable in order to be eligible for the grant. The affordable units must be rented at or below the [City's Maximum Allowable Rental Rates](#).

Land Servicing Subsidy

Subject to funding availability and Executive Committee and/or City Council approval, successful Surplus School Site projects will automatically be eligible for a land servicing subsidy to cover up to 100% of any off-site infrastructure required by the City or external parties to service the proposed development. Eligible items could include required water and sewer upgrades, shared use paths, pedestrian crossings, and/or others determined through the subdivision process. Items that qualify for funding include offsite upgrades required by City departments or external agencies or utilities. Subsidy funds do not include costs on the physical building to be developed.

To determine your requested grant amount as a proportion of eligible costs, inclusive of land value, refer to [Appendix III: Land Value Contribution](#).

The City will consider funding up to 40 per cent of total costs for projects that propose affordable rental use and meet additional affordability and energy efficiency requirements. Please note, homeownership proposals are not eligible for grant funding greater than 25 per cent of capital costs (this includes construction grant and market value of land contributions, but excludes the land servicing subsidy).

LAND DISBURSEMENT AND CAPITAL CONTRIBUTION PROCESS

Site Sales and/or Lease Listings

The City will post the Sale or Lease Listing on the [Surplus School Sites property listings](#) webpage and advertise the sites for a below market sale or lease, beginning in November 2024.

The City is soliciting proposals on each site or on a portfolio of sites. The sales listings are intended to run until at least February 14, 2025¹.

Application Submission

Applicants will be required to prepare an application submission in response to the sale or lease listing(s), including all required documentation as per [Appendix I: Application Submission Checklist](#).

Submissions accepted until at least February 14, 2025.

Applicants are encouraged to meet with the City of Edmonton Housing Action Team if they have any questions regarding submission requirements or site development considerations. Contact Kyle Payne at kyle.payne@edmonton.ca and CC: affordablehousing@edmonton.ca for any inquiries or to arrange a meeting.

Applications must be received by the deadline specified in the Sale or Lease Listing to be considered. The minimum requirements for the Sale or Lease Listing will reflect the information within this program guide. The City welcomes proposals from the same applicant on multiple sites/a portfolio of

¹ Revised in response to prospective applicant feedback.

sites. Where applicants are submitting proposals on a portfolio of sites, the proposals need to detail the approach taken throughout the portfolio to achieve the minimum threshold of affordable housing units and total units.

AFFORDABLE HOUSING CONSTRUCTION GRANT

Subject to Executive Committee and/or City Council approval, projects that meet the minimum project requirements will be eligible for funding up to 25% of eligible costs for affordable housing rental units (including land value).

Minimum requirements:

- *Project Readiness*
- *Building Type*
- *Affordability*
- *Financial Viability*
- *Energy Efficiency*
- *Accessibility*

Subject to availability, proposals that offer affordable housing rents at 60% or below the CMHC average market rental rate (AMRR) for the City of Edmonton² and /or provide significant energy efficiency (Tier 3 of the 2020 National Energy Code for Buildings or higher) may be eligible for up to a 40% grant on eligible costs for affordable housing rental units.

MANDATORY MINIMUM PROJECT REQUIREMENTS

All proposed developments seeking any combination of capital contributions on surplus school sites must meet the following mandatory minimum requirements to be eligible for the program:

Project Readiness

Submissions must include a project plan outlining key development milestones, confirming the applicant's ability to meet timelines as set out in the sales or lease listing(s).

Building Type

- Excludes single detached housing.
- Must conform to all applicable regulations of the assigned zone.

Affordability

- The development must remain affordable for a minimum of 25 years from the date of the issuance of the last occupancy permit (or equivalent). A maximum agreement term of 40 years would be applied on a land sale or 99 years under a land lease. Proposed developments with a longer affordability term are preferred.

² Corrected from initial version of Program Guide

- Affordable units must be rented at or below the [Maximum Allowable Rental Rates \(MARR\)](#). At a minimum, 30% of total residential units must have rent payments that do not exceed 80% of average market rental rates, applied either to the individual project or portfolio of projects proposed.
- Additional eligibility or payment criteria for occupants may be proposed for consideration by, or imposed by, the City of Edmonton.

Financial Viability

- A 5% equity contribution to the project must be provided by the selected buyer or a guarantor,³ except in special cases as determined and documented at the discretion of the Director level of the area implementing the Surplus School Site Program Guide.
- Applicants must provide evidence of the financial viability of the proposed development, including all sources of capital construction funding, pro-forma statements for the operations including (but not limited to) supplemental information on key cost drivers such as staffing, insurance, maintenance, rental income, vacancy management and allowances, ability to fund future capital upgrades and other financial details as the City deems necessary for assessment.
- Applicants must identify any grant funding requests of the City of Edmonton, or any other order of government / funder.
- The number of units, grant funding requests, and unit costs will be reviewed as part of the application process. Where costs are higher than the amounts provided in the current [Altus Canadian Cost Guide](#), the City may ask the applicant to provide rationale.
- Three years of financial history of the applicant, as evidenced by Audited Financial Statements.

** If the Applicant does not have three years of financial history, as evidenced by Audited Financial Statements or on the discretion of the City, the City may require a third party guarantor to provide financial backing through a Guarantee Agreement with the City.*

³ Guarantor details added to guide based on questions from potential applicants

Energy Efficiency

- Development must achieve at least Tier 1 of the 2020 National Energy Code for Buildings (NECB).

Accessibility

- Projects must meet all minimum building code accessibility requirements. Developments that meet higher accessibility standards, including, but not limited to, universal design, visitable units, units designed for persons in wheelchairs, and barrier-free bathrooms may be eligible for additional funding.

DECISION MAKING AND AGREEMENTS

Please reference [Appendix I](#) and [Appendix II](#) for detailed application requirements.

Application Review

Completed applications received at the conclusion of a sales or lease listing period are reviewed by the City to ensure the application is complete, mandatory minimum requirements are met, and that the objective of prompt development of affordable / mixed income housing with building permits in place by September 26, 2026 can be met. The City may ask applicants additional questions regarding their proposal(s) and identify issues or project enhancements.

Highest priority will be given to submissions that provide:

- greater amounts of affordable housing units under a long-term agreement;
- deep rental subsidies;
- energy efficiency;
- accessibility options for tenants; and
- value to City investment.

Decision

The successful applicants will be selected at the City's sole discretion. The proposed below market value sale or lease and affordable housing grant agreements are subject to the approval of Executive Committee and/or City Council.

**Note: your development may be publicized in City of Edmonton materials, media and Council Reports.*

Entering into Agreements with the City

Once a project is selected, the proponent will be required to enter into a land sale or lease agreement and an affordable housing agreement with the City. These agreements will outline all requirements to purchase or lease the site or portfolio of sites as well as the requirements to receive grant funding and develop affordable housing on the sites. The affordable housing agreement will be registered as a caveat against the titles to the development land standing in the name of the Applicant as the registered fee simple owner. The affordable housing agreement will identify the commitments the current and any potential future owners will have regarding the use and construction of the development, including but not limited to: number of affordable housing units, eligible occupants, and affordable rental rates/housing charges. The caveat remains registered on title for the term of the said Agreement. The sales agreement will outline the City and the future site owners requirements to receive the property.

If leasing of a site is pursued, then the lease and affordable housing agreements will identify the commitments the current lessee will have regarding the use of the site, including the number of affordable housing units, eligible occupants, affordable rental amounts as well as any requirements for the lessee to receive grant funding to construct the development.

If one or more guarantor(s) is identified as part of the application, they will be required to enter into a single Guarantee Agreement with the City agreeing to act as guarantor(s) for the project and liable to repay the total grant funding

advanced by the City arising from the affordable housing agreement, upon the written demand of the City.⁴

Disbursement of Grant Funding

The City will work with the applicant on the timing and disbursement of funds to develop the site in a timely manner. The City will hold back funds to ensure project completion. Generally, the City will disburse funding on successful completion of milestones, as specified in the affordable housing agreements. The anticipated requirements and disbursement schedules are as generally and non-exhaustively shown in [Appendix IV](#).

Monitoring

Annual monitoring will be ongoing for the term of the affordable housing agreement at the sole cost and expense of the Applicant. Annual monitoring requirements may include, but are not limited to, reporting on occupancy of affordable units, annual statements of operations for the development, and annual audited financial statements.

DISCLAIMERS

Please note, at minimum and without limitation, the City reserves the right to not award a project or 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;

⁴ See Note 2

- 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 development will be situated.

RESERVATION OF RIGHTS

The City reserves the right, in its sole discretion, to:

- Require prospective and actual Applicants to provide further clarification on information submitted, or to provide additional information or materials to assist in a review of its submission;
- Accept, reject, or further negotiate with any or all prospective and actual Applicants;
- Amend, modify, cancel, or suspend the Surplus School Site program, at any time, for any reason;
- Recommence the listing or grant process for the Surplus School Site Program for new responses or enter into negotiations for sale, lease or grant funding;
- Extend from time to time any date, time period, or deadline provided for in the selection process in the Surplus School Site program, upon written notice to all affected Applicants;
- Not enter into a sale agreement, lease or grant funding affordable housing agreement with any Applicant in the Surplus School Site program.

NO LIABILITY

By participating in any aspect of the Surplus School Site Program, all prospective and actual Applicants specifically agree that they will have absolutely no claim against the City or any of its employees, advisors, or representatives for anything resulting from the exercise of any or all of the rights set out herein. Without limiting the generality of the foregoing, all prospective and actual Applicants also agree that in no event will the City, or

any of its employees, agents, advisors, or representatives be liable, under any circumstances, for any claim, or to reimburse or compensate the prospective or actual Applicant in any manner whatsoever, including, without limitation, for the costs of preparation of any submission, loss of anticipated profits, loss of opportunity, or any other matter. Any pre-application meetings and any listing or submission process is only intended to solicit interest and information and does not create any legally binding arrangement with the City. The pre-application meeting, listing and submission process will not give rise to any "Contract A" based tendering law duties or any other legal or equitable obligations arising out of any process contract or collateral contract. Neither a prospective or actual Applicant, nor the City, has or will have the right to make a claim of any kind, whatsoever, against the other or others, with respect to the award of a contract, the failure to award a contract, or the failure to honour a response to the listing or submission process.

CONTACT US

If you have any questions about the Surplus School Site Program, are interested in applying or would like to book a pre-application meeting, please send your inquiry to kyle.payne@edmonton.ca and CC: affordablehousing@edmonton.ca.

Additional Resources

- [City of Edmonton - Surplus School Sites Listings](#)
- [City of Edmonton Maximum Allowable Rental Rates \(MARR\) & Maximum Average Income Thresholds](#)
- [City of Edmonton: SLIM Maps](#) - for zoning information
- [City of Edmonton: Resources for Affordable Housing Developers](#)

Housing Information and Data

- [City of Edmonton's Glossary of Housing Terms](#)
- [City of Edmonton Housing Need Assessment](#) and [Dashboard](#)
- [City of Edmonton Affordable Housing Strategy](#)
- [Government of Alberta Affordable Housing Partnership Program](#)
- [CMHC Affordable Housing Fund for New Construction](#)