



# Building brighter futures in Airdrie

July 31, 2024



## Summary

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As one of the fastest-growing cities in Alberta, with a population rapidly approaching 100,000, the City of Airdrie needs more affordable housing options to meet current and future demand.

In early 2023, Habitat for Humanity Southern Alberta (Habitat) joined the City's *Affordable Housing Working Group* to contribute ideas on how the City can quickly deliver housing to meet this demand. One of the key targets for this working group was to create 100 housing opportunities for low-income residents.

**Habitat for Humanity is returning to Airdrie for the first time since 2016 to deliver 10% of that target, with construction set to begin in September 2024.** This affordable development will span an entire city block in the community of Bayview. These energy efficient row townhomes will offer families an opportunity to build strength, stability and independence through affordable homeownership.

**Once completed, working families earning between \$40,000 to \$60,000, which is approximately 50% of the Area Median Income, will have the opportunity to purchase these homes** through Habitat's unique no-down payment, no interest mortgage which caps monthly payments at no more than 30% of a family's income.

**These families hold essential jobs in the community, such as healthcare aides, social workers, teachers' aides and construction workers, who would not otherwise qualify for a traditional mortgage.** All successful applicants will complete 500 volunteer hours toward building their homes and other Habitat initiatives.

By transitioning from renters to Habitat homeowners these families are better able to become permanent members of their community, fill needed jobs, and create space and flow in social housing and the rental market.

**Habitat has successfully raised half of the funds to complete the Bayview project. We are now seeking additional support from the City of Airdrie's Affordable Housing Reserve Fund (AHSF) and other funding streams available to non-profit housing developers and builders.**

We will also be reaching out to local business and community organizations to secure additional funding. Previous Habitat projects have received contributions from the Canada Mortgage and Housing Corporation (CMHC), with up to \$550,000 now available to match government contributions toward the Bayview homes.

**Proceeds from Habitat mortgages are also reinvested to fund future Habitat homes so even more families can become contributing long-term citizens of Airdrie. When a family sells their home, Habitat repurchases it, renovates it, and provides it to another working family.**

The following information provides more details about our plans, benefits to Airdrie and its citizens, and how the City of Airdrie can help to ensure the success of the Bayview project. Habitat is very excited to contribute toward meeting the City's affordable housing targets, and we look forward to continuing our work to build brighter futures for Airdrie families.

## Benefits to the City of Airdrie

- The completed project will add an entire city block of new affordable homes to Airdrie.
- Habitat homeowners contribute to the local economy and help employers fill essential jobs, such as health care aides, social workers, teachers' aides, city bus drivers, construction workers, and other needed trades and professions.
- Many Habitat homeowners transition from using social supports to becoming financially independent property tax payers. This also creates more flow in social housing.
- Habitat homes become part of the permanent supply of local affordable housing with no ongoing government funding required.
- Habitat homes contribute significantly to the cultural vibrancy of communities with Habitat families representing a broad range of diverse demographics, including newer Canadian citizens and permanent residents.

## Alignment with City of Airdrie funding priorities

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### 2024 – 2030 Affordable Housing Principled Action Plan

- This request aligns with the Affordable Housing Principled Action Plan Strategic Objective 2 to “Increase housing delivered by non-profit providers” with a goal of 200 non-profit homes opened or planned; and at least one new partnership between the City of Airdrie and a non-profit provider. This further aligns with the City’s *Affordable Housing Working Group* target to create 100 housing opportunities for low-income residents.
- Strategic goals include:
  - Adopt suite of municipal supports for non-profit affordable housing projects (example: municipal property tax and fee exemption)
  - Initiate at least one housing pilot project with a non-profit provider to address housing shortages.

### Airdrie Housing Reserve Fund

This request is aligned with the purpose of the City of Airdrie’s Housing Reserve Fund (AHRF), as described in the December 4, 2023, City Council Agenda Report to: “Use this fund as the municipal contribution portion required to leverage outside funding.”

### City’s Affordable Housing Incentive Policy

Habitat’s funding criteria is compliant with the City’s Affordable Housing Incentive Policy (AHIP) definition of “affordable housing” in regard to permit fee exemptions. Habitat homeowners purchase their Habitat home with no down payment and no interest, and monthly payments do not exceed 30% of their total household income.

The City of Airdrie AHIP definition of affordable housing: “Dwelling units with a market price or rent that are affordable to households earning 65% or less of the median household income in Airdrie, without spending more than 30% of their gross income on housing. The median household area was \$110,000 for Airdrie in the 2021 Federal Census.”

## Project description

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The Bayview project will consist of 11 fee-simple 1,150 square foot row townhomes in the form of two fourplexes and one triplex. Each home will have three bedrooms and one and a half bathrooms, with the ability to add two bedrooms and a bathroom in the basement for larger families. The buildings will be built to above builder’s standard energy specifications and conform to developers’ architectural guidelines.

- Habitat has already completed a purchase agreement with land developer Genesis, and we anticipate receiving Title by the end of August 2024.
- Habitat is purchasing a .590-acre block of 11 lots located in the community of Bayview with a combined purchase price of \$1,243,000, and a total budget of \$3,742,057.
- All homes to be individually serviced street townhome units with three bedrooms and optional basement development.
- Habitat has completed legal consultation, a geotechnical investigation, environmental site assessment, Family Services review, Eagleson Ho & Associates market analysis, and affordable housing multi-criteria analysis.
- This parcel of land is zoned R2-T designated for street-oriented townhomes. The development has individually serviced parcels exclusive of any common property which allows the ownership of these homes to be separated by party wall agreements rather than shared through a condo corporation.
- The servicing for Bayview has been started and will be completed by August 2024.
- The Bayview lots will occupy one construction crew alongside volunteers for the duration of 18 months from October 2024 to February 2026.
- Project schedule:
  - Planning, design and approvals from March to August 2024.
  - Construction: Phase one will see eight homes completed between September 2024 to August 2025. Phase two will complete three homes between April 2025 to January 2026.

## Funding request

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Habitat's request for support includes the following:

- Property tax relief for the duration of construction and development.
- Permit fee rebates.
- Predevelopment costs.
- Contribution toward the purchase of land parcels.

### Property tax relief – \$12,000

Funding via the AHSF in lieu of municipal taxes for the duration of the anticipated 18-month project timeline. Habitat will provide a copy of the Title for 11 parcels of land prior to requesting tax relief, and complete a new application for tax relief annually for the duration of the project, until families receive possession of the homes.

### Predevelopment funding – \$49,000

Habitat's funding request includes the following predevelopment costs:

- Preliminary design
- Professional fee's
- Energy modeling as part of the preliminary design
- Project support

### Inspection/Permit fee rebate – \$39,500

Habitat will request a permit fees rebate from the Planning Department. This request will comply with the instructions outlined in the Affordable Housing Incentive Policy.

The Habitat funding criteria for fee rebates is aligned with the City of Airdrie's definition of affordable housing as outlined in the AHIP:

- Affordable Habitat homes will be received by working families with household incomes that are less than 50% of the median income in Airdrie. These families will spend no more than 30% of their gross income on housing.

### Contribution toward remaining project funding – \$275,000

We recognize with the housing crisis that families are struggling today, and we need to act as quickly as we can to get families housed. Instead of waiting several years to raise all the funds for this development, we are accelerating our timeline to complete the Bayview homes.

If the City contributes \$275,000, Habitat will be able to reference that support in our request for \$550,000 from CMHC. That will leave approximately \$875,000 for Habitat to raise in the community.

The city of Airdrie has set a similarly bold timeline to get housing built. We are responding to the City's call for action by stepping up to be the first housing project – a move that will hopefully inspire others to take action as well.

We believe full funding for this development can be secured, but we will need help from individuals, businesses, community organizations and governments. We appreciate that the City is evaluating how to best use its housing fund, and we value anything the City can provide to help complete funding for the Bayview homes.

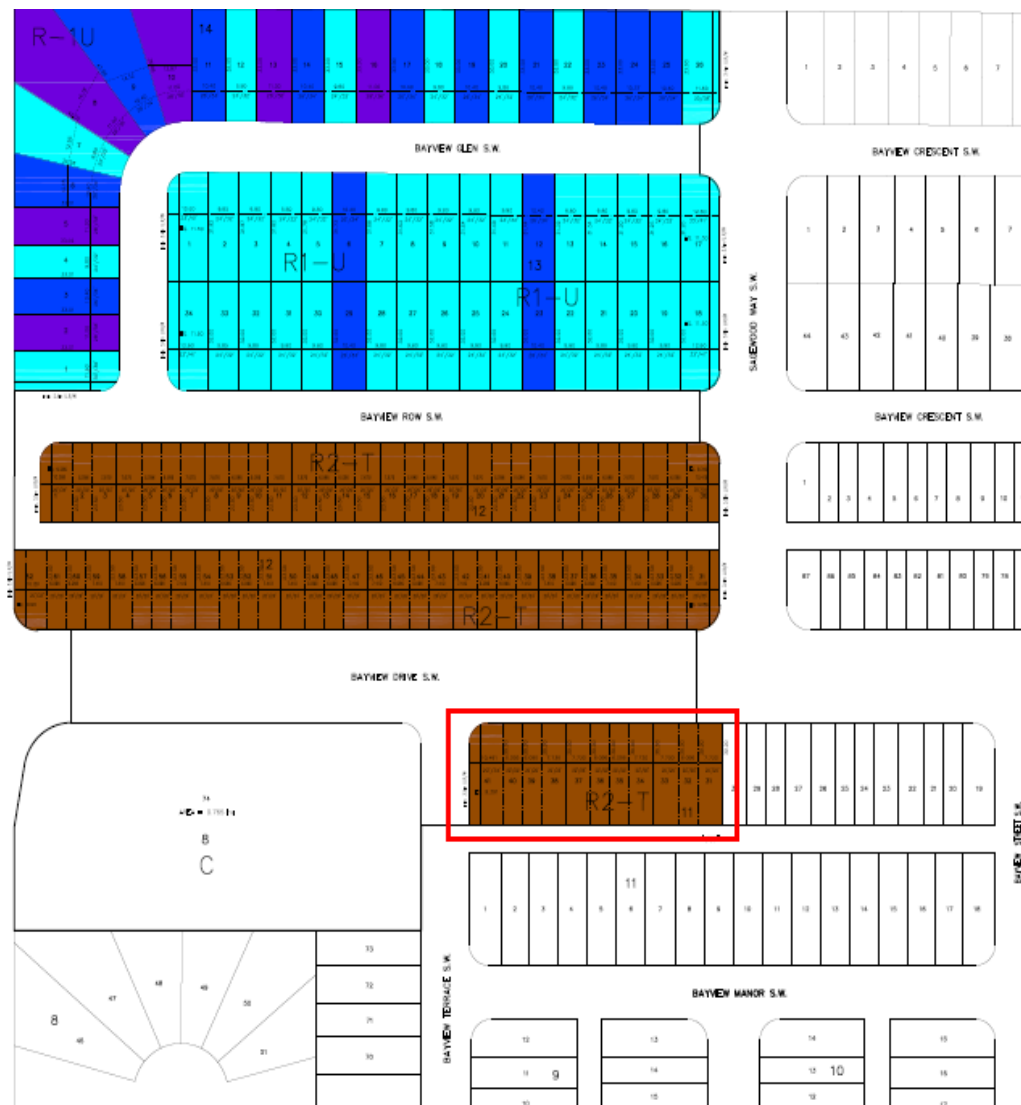


## Project Background

### Build form

This development will use a proven build form that is architecturally seamless with the surrounding neighbourhood. The land is already lotted for two fourplexes and one triplex, with no need for additional engineering, or commercial applications. Each lot is also individually serviced with no requirement for a condo board, thereby eliminating condo fees and increasing affordability.

### Lot's 31 to 41 in phase three of the Community of Bayview:



**Looking south at the location from the intersection of Sagewood Way and Bayview Drive SW:**



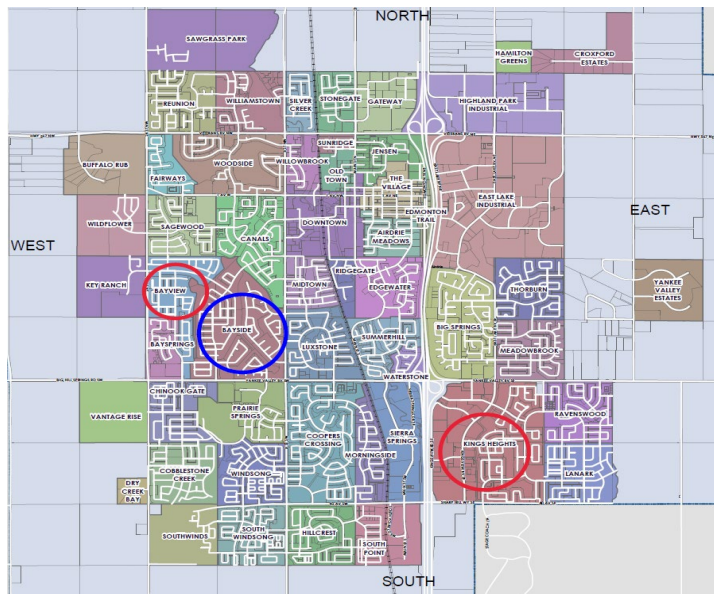


## Habitat's previous Airdrie projects

In 2012 Habitat partnered two families in the community of Baywater, indicated in the blue circle on the map below. The current homeowners have lived in their homes with no concerns for over 10 years, have raised their kids in the community, and are several years ahead on their mortgage amortization.

In 2016 Habitat built two triplexes, a total of six homes, in the bedroom communities of Kings Heights and Ravenswood as indicated in red on map below.

After eight years in the community, all six families indicated their desire to remain in Airdrie, stating it is a great place to raise their families and that they love their home.



The Bayview community is a 35-minute drive to downtown Calgary, situated in the southwest quadrant of the city, and adjacent to Baywater where two Habitat families currently reside. The Bayview community was established in 2014, and Genesis Land Development Corp. is in the final phase of development. The community is made up of mixed housing including bungalows, estate laned, front attached, and laned townhomes and condominiums.

## Community Engagement

Habitat values community engagement and works to ensure that our projects have the support of the local neighbourhood. A related goal is to allow any interested citizen to access information about our projects.

Community engagement activities are normally driven by two factors:

- a. The level of interest that neighbours and the community association could potentially have in our development.
- b. Municipal approvals needed for the project.
  - Meetings have already occurred with the City of Airdrie in spring 2024, and the City has indicated a willingness to support the project to its fullest extent.
  - The City of Airdrie has asked that Habitat work alongside their Community Engagement team to strengthen efforts to engage the community.

The following basic community engagement activities are planned or already underway:

- A web page about our project which should include:
  - General information about the project and homes.
  - Municipal approvals history and timeline.
  - A pathway for interested citizens to ask questions and offer comments.
- Engagement with City Council to keep them informed.
  - At least one meeting to ensure the local Councillor and staff are informed.
  - Continuous delivery of information and updates to the local Councillor's office to keep them informed.
  - Invitation to City Council for aground-breakings and other events.
- Engagement with the local community association
  - Offer to meet and explain the project
  - Continuous delivery of information and updates.

## Organizational background

### Vision

A world where everyone has a safe and decent place to live.

### How we operate

Habitat for Humanity Southern Alberta is one of 45 Habitat affiliates in Canada. As an affiliate we operate independently but are connected through Habitat for Humanity Canada, which provides guidance, support, and resources to ensure that all affiliates adhere to the same mission and standards.

### What we do

Habitat for Humanity Southern Alberta is a charity that brings the community together to help families build strength, stability and independence through affordable home ownership. Through the Habitat program families in core housing need can be moved onto a path of housing stability and independence.

In 2023, Habitat for Humanity Southern Alberta delivered \$10.3 million of affordable homes, with 31 families (with 90 children) taking possession of a Habitat home. We also had 37 homes under construction, completed or refurbished last year. Since 1990, Habitat for Humanity Southern Alberta has partnered with 385 families, impacting the lives of 1,156 children.

### The Habitat model – how we help families

#### **Build affordable starter housing stock**

Habitat for Humanity is a non-profit developer and homebuilder. We build affordable starter homes that the market is not building because it is not profitable, using a combination of professional trades and volunteers.

#### **Provide financing that makes a home purchase possible for working families**

Even though families are working full-time, they cannot qualify for a traditional mortgage. Habitat for Humanity helps these families purchase a home by providing a no down payment and a no interest or below-market interest mortgage.

#### **Prepare future Habitat homeowners**

We provide financial literacy and home maintenance training to help future homeowners prepare for owning their own home. Homeowners also complete 500 volunteer hours as a demonstration of their commitment and connection to the community.

#### **Sustainability**

Habitat for Humanity Southern Alberta reinvests mortgage payments of Habitat homeowners which helps us purchase new developments. This Fund reached \$2.9 million in 2023.

**Capitalizing on social enterprise**

We operate three ReStores that generate additional funds to propel our mission forward. In 2023 our stores brought in record breaking revenues.

**Mobilizing community support**

We bring together all three levels of government, donors, community partners and volunteers. As the cost of cost of construction continues to rise, their investments are critical to our ability to build more homes for more families.

## Habitat for Humanity Southern Alberta Leadership Team

Gerrad Oishi, P. ENG, MBA  
President and CEO

Brenda Rose, CPA, CMA  
Vice President of Finance

Mira Monagen, MBA, BSc, BComm, PFP, ACUIC  
Vice President of Family Partners and Programs

Cameron Heke, BAComm  
Vice President of Community Engagement

Grayson Ambrose, BA  
Director of Construction