

AFFORDABLE HOUSING INNOVATIONS



EDGEWATER COURT HELPS FORT MCMURRAY COPE WITH ECONOMIC BOOM

Buoyed by multi-billion dollar investments in nearby oil sands projects, Fort McMurray, Alberta, is growing fast. Approaching 44,000, the city's population jumped almost 18 per cent since 1996, jacking up rents well beyond the means of many who work in low-paying service jobs or depend on social assistance.

Facing a potential housing crisis, the Regional Municipality of Wood Buffalo, which includes Fort McMurray, hired development specialist Gilles Huizinga in February 2001. His mandate: oversee affordable housing development in the community and launch and run a municipally owned non-profit housing corporation. Shortly after joining, Mr. Huizinga came up with an innovative idea—a eureka moment as he calls it.

"The province of Alberta subsidized some 183 private-sector housing units in Fort McMurray under a rent-geared-to-income system," says Mr. Huizinga, Chief Administrative Officer with the Wood Buffalo Housing and Development Corporation. "The problem with this system is that when market rents rise quickly—as they are in Fort McMurray—the province pays more and more in subsidies because incomes don't keep pace with rents. I believed that if the government were to transfer 140 rent subsidies to us and give us some land, we could develop affordable housing and protect the government from market-based rent hikes. It was a win-win situation."

Adding a twist, Mr. Huizinga did not want the Alberta government to transfer not the individual subsidies on 140 units but the \$1 million of block funding that these subsidies represent. He argued that since his Corporation would charge rents below market price, the province's current market-based rent-subsidy system wouldn't apply. Using the block funding, the Corporation would be able to build a total of 180 units, all at rent-geared-to-income. "It was out-of-the-box thinking," says Mr. Huizinga.

In May 2001, the province agreed to transfer the block funding to the Corporation along with eight acres of undeveloped land by the Clearwater River in Fort McMurray. Proposing to use four acres to build the initial 120 units of affordable housing, the Corporation prepared a detailed 40-page Request For Proposal and sent it to 13 developers. The winning proposal's construction cost came to \$10.6 million, and Canada Mortgage and Housing Corporation (CMHC) agreed to underwrite the mortgage insurance for \$294,000.

Completed in June 2002, Edgewater Court includes a 95-unit apartment complex and a 25-unit townhouse complex. Apartments range from one to three bedrooms, and the townhouses from two to four. Tenants include a mix of people, from those on social assistance to some who make more than \$40,000 a year.

How do Edgewater Court tenants like their new living spaces? "They're really pleased," says Mr. Huizinga, "and so are we. We worked so hard—the community, the municipality, our corporation—to bring this together. I'm proud and I feel very good that we're doing something of such benefit."

The Wood Buffalo Housing and Development Corporation is a finalist in the Finance and Tenure category of the 2002 Canada Mortgage and Housing Corporation (CMHC) Housing Awards Program, **Affordable Housing Innovations**. The Housing Awards recognize individuals, companies and organizations that have made significant contributions to improving housing affordability in Canada.

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