Attachment 2

Affordable Housing Needs Assessment Preliminary Research Findings

Background

Because shelter is a critical human need, housing and affordability are perennial issues in Canada. When people find adequate, suitable, and affordable housing, they can focus on other life goals. When people cannot secure housing, they can easily fall into cycles of poverty that may prove difficult to escape.

This Housing Needs Assessment is intended to illuminate the housing requirements of Edmonton's most vulnerable residents. It is also a first step towards renewing the City of Edmonton's Affordable Housing Strategy, which was last set in 2016 and requires a refresh to account for current realities. Ongoing work is integral to setting evidence-based priorities which will guide the City's efforts in incentivizing the creation of appropriate affordable housing, along with the supports that meet the needs of Edmontonians. A comprehensive report on affordable housing was undertaken by the City of Edmonton to synthesize relevant secondary data from a range of sources on demographic and economic trends, core housing need, as well as secondary data on affordable housing supply. This Housing Needs Assessment also incorporates qualitative input from priority population groups, reflected by individuals and community organizations.

METHODOLOGY

This Housing Needs Assessment adopts a documented methodology derived from the Housing Assessment Resource Tools project, which incorporates both quantitative and qualitative data to help the City understand affordable housing needs in Edmonton. The Housing Assessment Resource Tools project is developing a methodology for Housing Needs Assessments that will help to create consistent, comparable data across Canada.

The Housing Needs Assessment considers the following factors:

1. Core Housing Need, broken down into five income categories. This provides an understanding of who needs homes, and what rent thresholds are considered affordable for them.
2. Core Housing Need, broken down by household size. This provides an understanding of the size of homes that are needed.
3. The experiences of each of the 13 priority population groups. They have been identified as priority population groups for affordable homes as they have a larger proportion of households living in core housing need than the general population.
4. Trends in supply of affordable housing over time. This informs what is happening to affordable housing stock at various rent thresholds, and can help to create an understanding of what this means for future supply.
5. Population projections over time. This helps to plan for future housing needs.

SCOPE

Phase 1

The research questions that informed the quantitative portion of this work are as follows:

1. What are the maximum housing costs for each of the five income categories?
2. What is the existing deficit at each housing price point, including what sizes of households and priority populations are in need?
3. What are the trends in affordable housing supply at various price points over a ten-year period?
4. How quickly is the population growing? What is projected housing need by household size and priority populations, at each price point?
5. Including deficit, trends in housing supply, and population growth, how much housing at what costs and sizes do we need?

Phase 2

The second phase of this project was informed by interviews with 47 community organizations and umbrella groups working in the housing sector. The research questions that informed this phase are as follows:

1. What are the housing needs of each of the priority population groups?
2. What barriers do individuals typically face to finding adequate, suitable and affordable housing?
3. Are there particular population groups that face additional barriers and challenges to finding affordable, adequate and suitable housing?

PRIORITY POPULATION GROUPS

Because particular population groups face higher rates of core housing need, the Canada Mortgage and Housing Corporation has identified 12 priority population groups for affordable housing. The Housing Assessment Resource Tools project added a 13th group: female-headed households and specifically single mothers.

When considering housing options, each priority population group will have different needs and considerations. For example, single mothers will need to be located close to childcare centres and schools. Women and children fleeing domestic violence need access to physical and mental health support services. Priority population groups may be framed as exclusive categories, but many people living in core housing need belong to multiple groups. These multiple intersectional identities can significantly influence housing needs. For example, an Indigenous single mother may also live with a parent with multiple disabilities. Intersectional households not only tend to have increased needs and considerations, they often have fewer available housing choices.

ENGAGING WITH INDIVIDUALS WITH LIVED AND LIVING EXPERIENCES

To widen engagement to those with lived and living experiences, the City of Edmonton has enlisted the services of two contractors: InWithForward, and EndPovertyEdmonton/Community University Partnership. Each organization will conduct interviews with individuals with lived and living experiences, using different methodologies. While InWithForward will recruit individuals directly using various techniques, EndPovertyEdmonton and the Community University Partnership will recruit individuals who receive services through various organizations in Edmonton. The themes emerging from these interviews will also be included in the final report.

SUMMARY OF INITIAL FINDINGS

Demand Analysis

According to the 2016 federal census, Edmonton was Canada's fifth-largest municipality with a population count of 932,546. The Edmonton census metropolitan area (CMA) was Canada's sixth largest CMA with a population count of 1.3 million in 2016. The population in Edmonton increased at a faster rate compared to the province of Alberta: between 2006 and 2016 the population in Edmonton grew by 27.7 per cent, compared to 23.6 per cent for the province of Alberta.

Edmonton's population growth is fueled by migration into the city, resulting in a population that is about five-and-a-half years younger than the national average, with about 40 per cent identifying as a visible minority. Edmonton is also home to approximately 76,250 Indigenous residents, making it home to the second-highest Indigenous population of all Canadian cities.

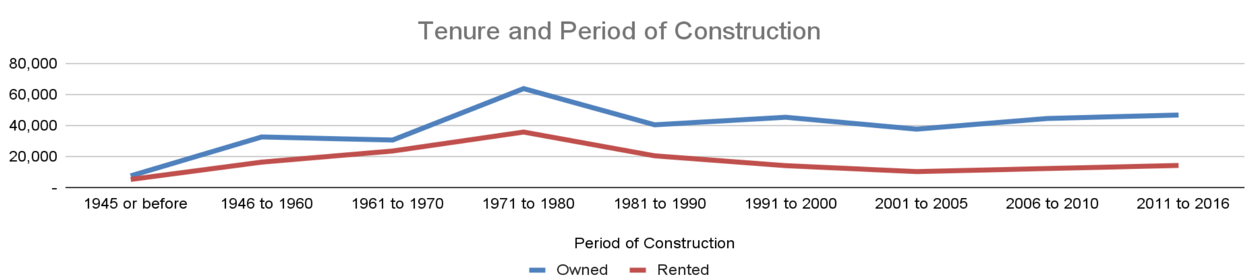
- As the provincial capital and largest medical centre for northwestern communities, Edmonton has a large public sector employment base. The city is also a hub for petrochemical industries and related employment in manufacturing, transportation and logistics.
- The number of people experiencing homelessness in Edmonton has doubled since 2019 – mostly during the COVID-19 pandemic – rising from 1,350 in December 2019 to 2,810 in March 2022, according to a By Names List managed by Homeward Trust Edmonton. The number of people sleeping outside - often in temporary shelters or encampments - has also grown significantly in recent years. In 2021, there were over 6,200 encampment-related requests for service to 311, which represents a substantial increase from the 790 encampment-related inquiries in 2016. Currently, more than 700 people are estimated to be unsheltered on any given night.
- Of the 2,810 individuals on the By Names List in March 2022, 62 per cent were Indigenous, 45 percent identified as female, and 24 per cent identified as youth.

1,517 (54 per cent) were provisionally accommodated, such as couch-surfing; 533 (19 per cent) were staying in emergency shelters; and 730 (26 per cent) were unsheltered outdoors.

Rental Market Analysis

While median incomes are relatively high, Edmonton faces significant income disparities that affect affordability. At $87,225, Edmonton's median household annual income is significantly higher than the national median of $70,336.

- Edmonton exceeds national levels in the very-low- income and low-income categories. Approximately 9 per cent of Edmonton's renter households earn less than $15,000, compared to national levels of 6 per cent who were very low income.
- In the next level, between $15,000 and $30,000, Edmonton's 29 per cent is significantly higher than the 18 per cent national average. Despite slowed interprovincial and international migration to Alberta in 2021, new global crises and Alberta's energy resurgence will likely lead to significant inflow of migration to the region in the near future.
- Edmonton's rental market has grown strongly, with nearly 18,000 purpose-built rental units added to the market over the past seven years. The city's overall rental universe has expanded to more than 65,000 units, with an increase of 3,710 units in the previous year.
- Apartment buildings make up close to 90 per cent of the rental inventory.
- The COVID-19 pandemic and other recent trends have highlighted the housing precariousness of many Edmontonians, especially for those living on the margins of society.
- According to the CMHC, a total of 46,731 new homes were built between 2016 and 2020 in Edmonton. Of these new homes, single detached dwellings accounted for 34 per cent, apartments made up 42 per cent, and row houses made up 12 per cent.

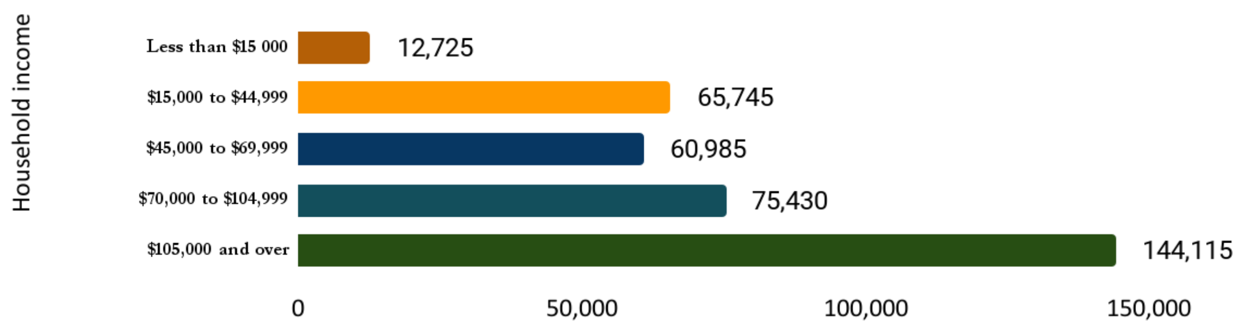


Housing Period of Construction and Tenure (StatCan 2016)

- As of October 2021, apartment vacancy rates were sitting at 7.3 per cent for the purpose built rental market in Edmonton, statistically unchanged from October 2020.
- The average rent for a two-bedroom apartment in October 2021 was $1,270. Overall demand for rental housing in Edmonton has been increasing in accordance with supply increases due to improved labour market conditions, the return of students to post-secondary institutions and an increase in international migration into Edmonton.

Income Analysis

Edmonton's area median income was $87,255 in the 2016 Census - higher than the Canadian median of $70,336.



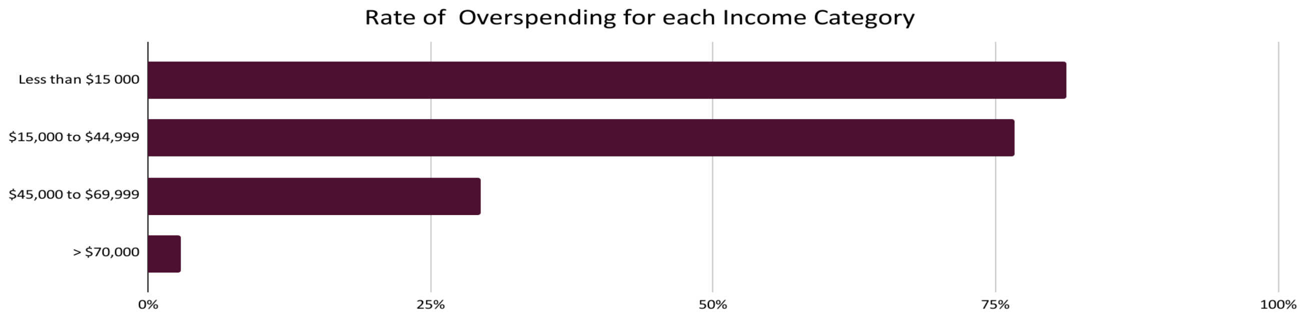
Edmonton Households by Income Category (StatCan 2016)

Maximum Housing Costs for 5 Income Categories

The table below illustrates the number of households spending more than 30 per cent of their gross income across the five income categories, including what those households can afford to pay in rent.

Household Income Category	Maximum Affordable Rents	No.of Renter HH in Income Category	No. of Renter HH Spending >30%	% Renters are Overspending
Less than $15 000	$375	12,035	9,783	81%
$15,000 to $44,999	$1,125	37,618	28,855	77%
$45,000 to $69,999	$1,750	28,778	8,463	29%
> $70,000	>$1,750.	50,405	1,455	3%
Total		**128,835**	**48,555**	

Rate and Count of Renter Households Spending >30% of Income on Housing (StatCan, 2016)



Rate of Households Spending >30% of Gross Income on Housing by Income Category (StatCan 2016)

- Approximately 81 per cent of the 12,035 renter households earning less than $15,000 are overspending annually on housing, followed by households earning less $45,000 where 77 per cent of households are overspending.
- Core housing need is an income issue with a majority of those in the two lowest income categories being in core housing need.

Current Waitlists for Affordable Housing Programs

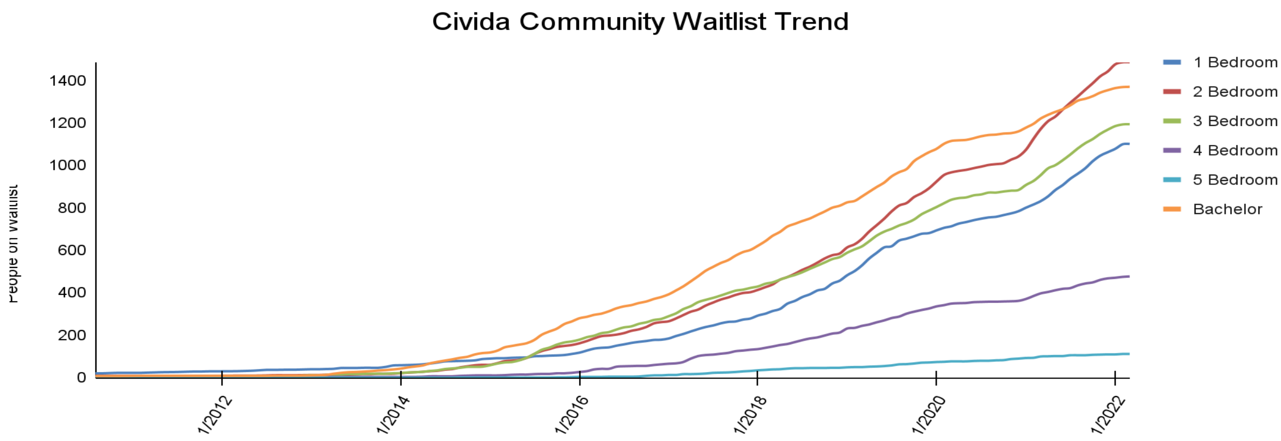
Wait list data for non-market housing programs is not an absolute indicator of demand for non-market housing: waiting lists may significantly underestimate true household need, as waitlist numbers do not reflect numbers of households who may have been dropped from the waitlist for a variety of reasons. More than 6,895 Edmonton households are currently on an official waitlist for affordable housing.

Current Waitlists Summary

Organization	Total Units	Waitlist
GEF	4,000	192
Civida -Community	4,400	5,741
Civida (Near-market)	600	642
Metis Urban	900	410

Edmonton Waitlist Data (Housing Organizations, 2022)

A historical look at Civida's community housing waitlists demonstrated significant growth, especially over the past 4 years, in the number of households waiting for housing.

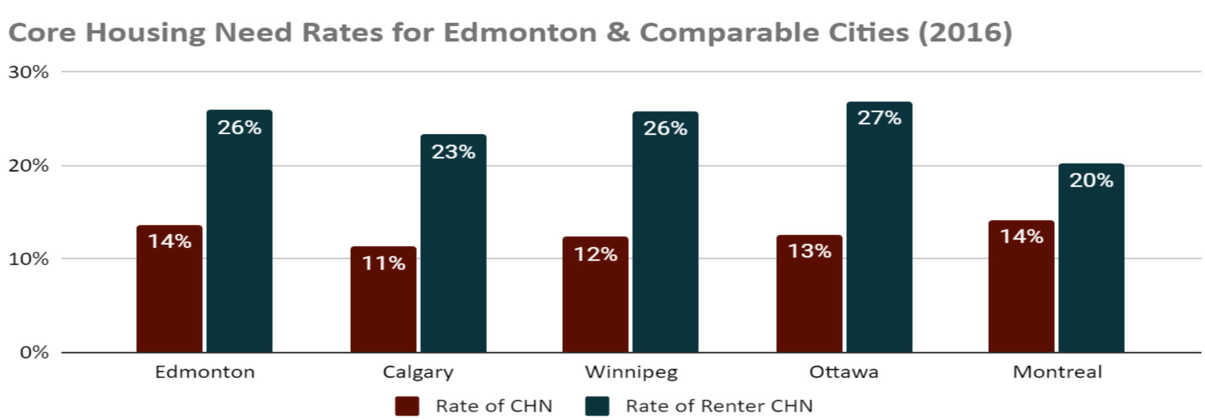


2010-2022 Trend In Civida Community Waitlist by Bedroom Type (Civida, March 2022)

Core Housing Need & Inter-Municipal

In 2016, 49,215 households - roughly 1 in 7 Edmontonians - were living in core housing need; approximately of 68 per cent those were renter households.

More than 33,000 renter households are in core housing; which affects 1 in 4 renter households in Edmonton.

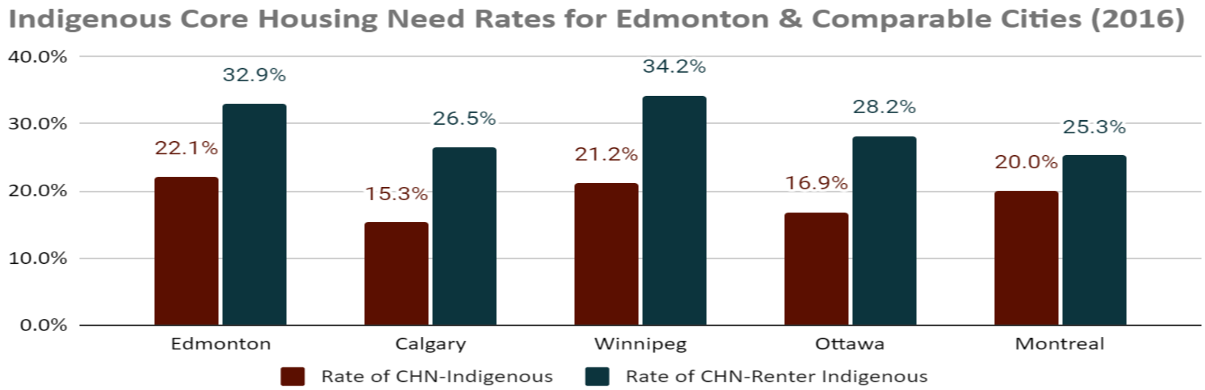


Core Housing Needing Comparison (StatCan 2016)

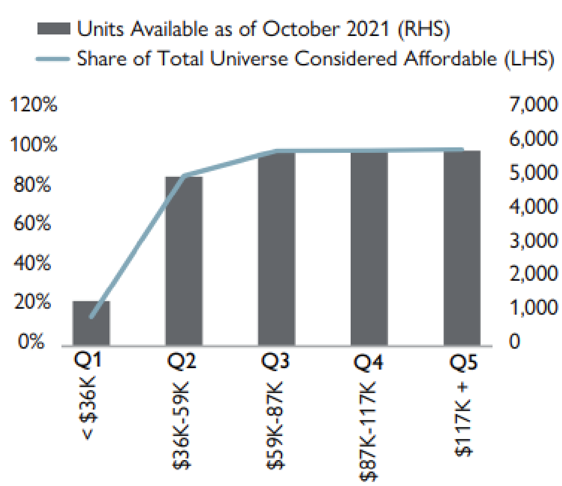
Edmonton has slightly higher than average core housing need among comparable cities in Canada.

Many people living in core housing need tend to belong to multiple groups and these intersectional identities tend to significantly influence housing need. Households in core housing need typically tend to have at-least one individual living with physical or other disability and are predominantly female led. Seniors, Indigenous and racialized communities are also over-represented.

At 7 per cent of total population, Edmonton has the second largest proportion of Indigenous households in major cities after Winnipeg. About one in four Indigenous households are in core housing need and one in three for Indigenous renter households- which is significantly higher than the rest of the general population.



Indigenous Core Housing Need Comparison (StatCan 2016)

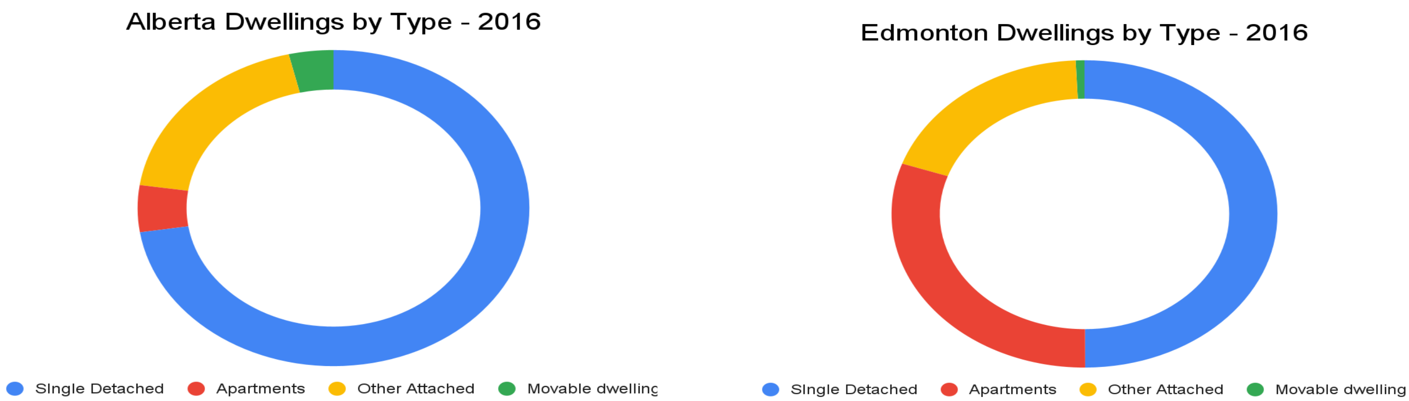


Source: CMHC, Statistics Canada, CMHC calculations
Note: Rent ranges are calculated at the affordability threshold of 30% of monthly income for each quintile. Renter household income (non-subsidized, all household sizes) was derived from the 2016 Census and expressed in 2021 dollars.

Edmonton also has a larger than average rate of the lowest income quintile category compared to other similar municipalities in the country. According to the Canada Mortgage and Housing Corporation's 2021 Rental Market Report, affordability challenges are particularly acute for households earning less than $36,000 in the Edmonton Census Metropolitan Area, as these households can affordably access just 15 per cent of the total purpose-built rental inventory universe.

Housing Supply

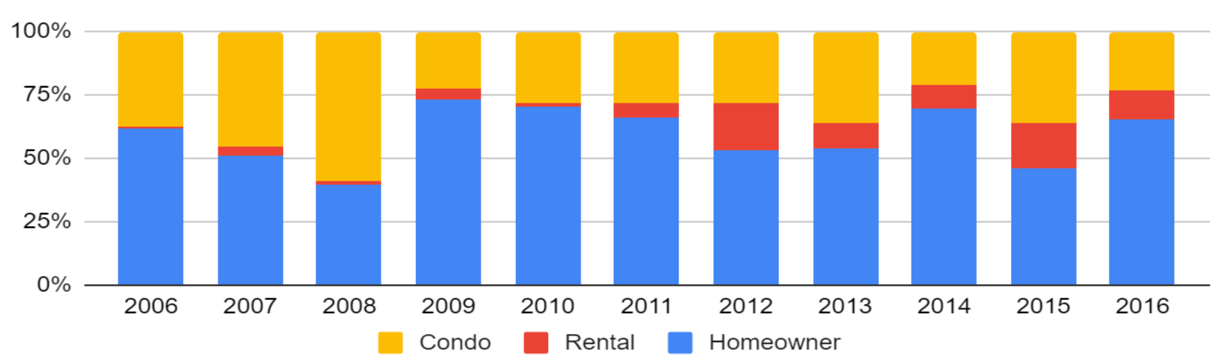
There were a total of 360,845 homes in Edmonton in 2016; this represents an increase of 21.2 per cent since 2006, when there were 297,770 total homes. Single detached dwellings made up the majority of all dwellings at 50 per cent in Edmonton, which is a lower share compared to 61.9 per cent in the province of Alberta as a whole.



Edmonton vs Alberta Dwellings by Type (Statistics Canada, 2016)

The majority of dwellings in Edmonton (64 per cent) are owner-occupied, with the majority of all dwellings (59 per cent) constructed prior to 1991. In comparison, 53.1 per cent of all dwellings in the Province of Alberta were built before 1991.

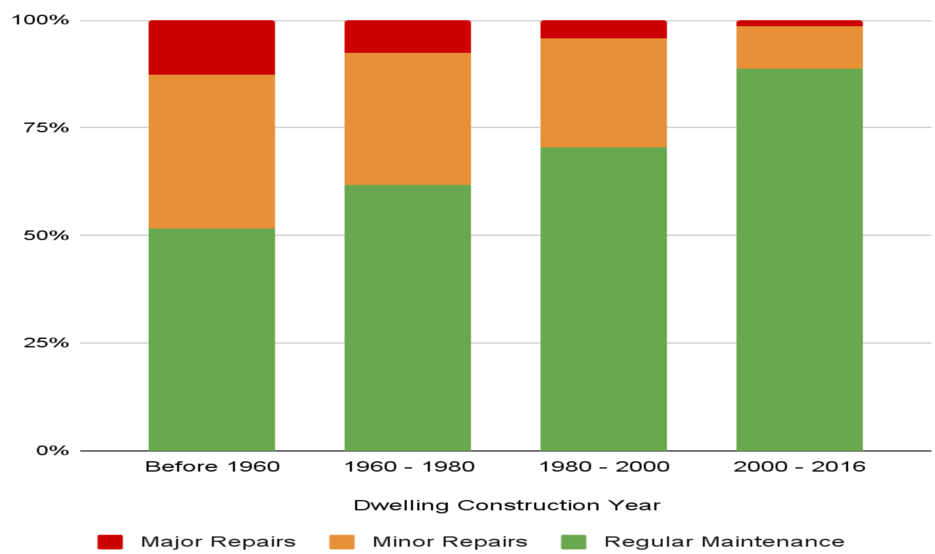
According to the Canada Mortgage and Housing Corporation, historical housing starts by intended market, a total of 89,339 new homes were built in Edmonton between 2006 and 2016. Of these new homes, single family dwellings accounted for 58 per cent, apartments made up 33 per cent, and row houses made up 10 per cent.



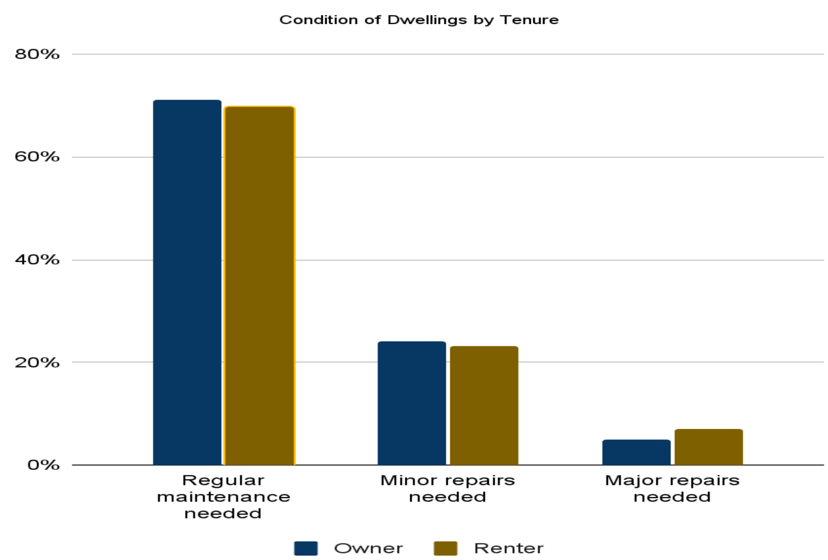
Edmonton Housing Starts by Intended Market - 2006-2016

Age And Condition of Dwellings

- Edmonton has the same proportion of dwellings in need of major repairs (5.7 per cent) as the rest of the province. The majority of the stock that requires major repairs is the older stock (pre-1991) at 4.9 per cent of all dwellings and 86 per cent of dwellings in need of major repairs.



Edmonton Dwelling Maintenance Type Proportions by Year of Construction (Statistics Canada, 2016)

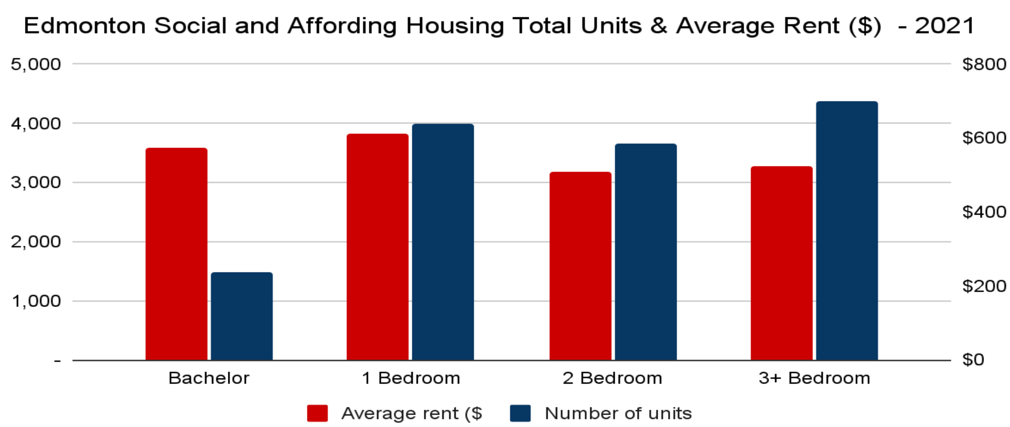


Conditions of Dwellings by Tenure (StatCan, 2016)

- In general, owned dwellings are in better condition compared to rented dwellings in Edmonton. In 2016, 7 per cent of all rented dwellings in Edmonton required major repairs compared to 5 per cent of all owned dwellings. In comparison, 6.8 per cent of all rented dwellings and 5 per cent of all owned dwellings in the Province of Alberta required major repairs.

Non-Market Housing Supply

In 2021, Edmonton had a total of 14,837 social and affordable housing units, a 9.6 per cent growth from 2019. Edmonton saw its largest increase in social and affordable housing between 1970-1989, where approximately 77 per cent of the current stock was built, similar to Calgary.

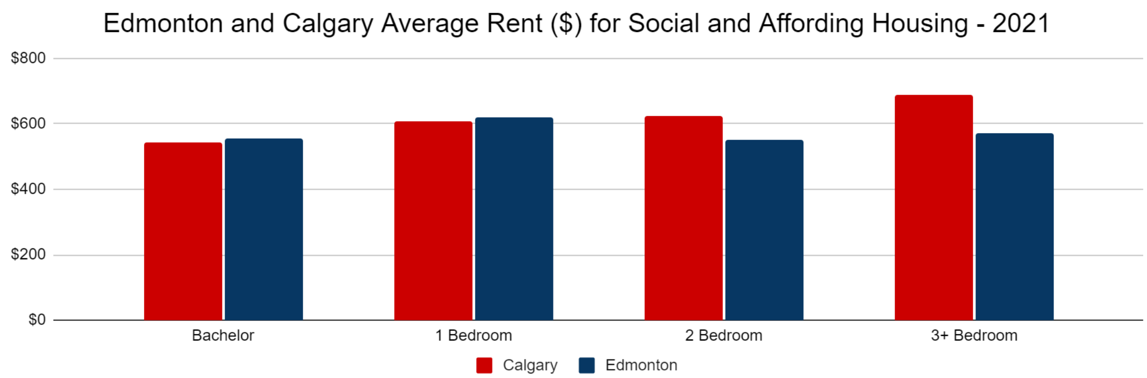


Edmonton Affordable & Housing Units by Number of Bedrooms and Average Rent (CMHC2020)

Despite the age of the current stock, the survey revealed that 68 per cent are in average to excellent condition with about 64 per cent administered by a government body.

Co-op administered units witnessed a 6 per cent increase during the same period in Edmonton. Rent for these units is usually income determined, with about 10 per cent at market levels.

The average for bachelor and one bedroom units in Edmonton for social and affordable housing increased significantly by 28 per cent and 5 per cent respectively between 2019 and 2021. The average rents for 2-bedroom and 3-bedroom units decreased by 4 per cent during the same period.



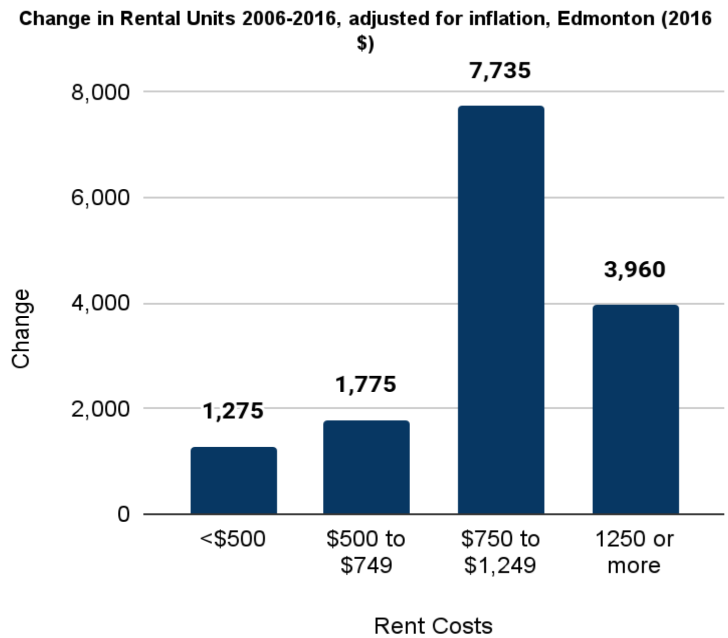
Edmonton Affordable Housing Rents by Number of Bedrooms (CMHC, 2021)

While the average rents for these units are relatively affordable compared to the market rents, they are still out of range for many of the households in core housing need. For example, about 8,740 households in core housing need in Edmonton could afford a maximum of $435 (inflation-adjusted 2016 data), which is significantly less than the $555 and $620 average rents for bachelor and one bedroom units in 2021.

In Edmonton, there are approximately 4,500 units of social housing that were predominantly developed between the late 1960s and early 1980s. Of these units, the City of Edmonton owns both the land and buildings for 952 units across 12 sites. In addition, there are 2,581 units in provincially-owned buildings located on City-owned land. The majority of these units are managed by Civida (formerly named Capital Region Housing Corporation). There are also approximately 950 units that are wholly owned by either the provincial or the federal government. These social housing units are able to offer subsidized rents through federal-provincial long term municipal subsidy agreements. These municipal subsidy agreements will expire between 2021 and 2040 and for the City-owned social housing portfolio, the municipal subsidy agreements will expire by the end of 2026. Without ongoing subsidies from other orders of government, many housing providers will struggle to maintain rent-geared-to-income rental rates, and current social housing tenants may be at risk of eviction. In addition, many of these developments are approaching the end of their lifespans and would require significant reinvestment to address deferred maintenance and reduce annual operating costs. The expiry of these operating agreements, combined with their condition, put this infrastructure at significant risk. Should these agreements expire and not be renewed, a significant portion of the portfolio will be lost, which will increase the supply gap of affordable housing in Edmonton.

Trends in Affordable Housing

Edmonton has not seen significant net loss in affordable rental units between 2006-2016. Edmonton, compared to many other Canadian municipalities, has been able to retain more very low-cost and low-cost ("naturally occurring affordable") housing (meaning residential rental properties that are affordable, but are not subsidized by government).



Increase in Rental Unit Counts 2006-2016 by Rental Cost Brackets (CHMC, 2016)

Priority Population Analysis

Housing need is measured not just by units and household income but also by the particular circumstances and experiences of individuals and households. Qualitative analysis can help to provide an understanding of some of the factors that could be contributing to what we see in the data. As one participant mentioned: "The data doesn't tell us about someone's overall quality of life. Whether they have a sense of belonging. Do they feel like they are contributing? Are they part of a community? The data we have focuses on the physical aspects of housing." Both ongoing quantitative and qualitative research are necessary in order to ground policies in the changing realities of Edmonton residents.

Some of the themes emerging from one-on-one interviews with community organizations are as follows:

- Shelter stay requirements in Alberta are between 21 and 34 days maximum for women's emergency shelters. These time limitations create additional stresses for individuals who are leaving past traumatic experiences. Given the complexity of the trauma experienced by individuals (such as women and children fleeing domestic violence), it was recommended that services ultimately be provided for as long as they are needed.

- Children are not permitted to stay with their parents in many of the emergency shelters. This creates barriers for families needing spaces in emergency shelters.
- Participants noted that there are currently insufficient preventative measures in place to help support individuals from falling into homelessness.
- Participants noted that currently, there are insufficient support services for individuals once they have found housing, which leaves individuals struggling in their journey to housing stability.
- In order to access housing supports, individuals applying to different programs need to complete a number of administrative applications as each program typically has its own requirements. This can take up significant amounts of time and it was emphasized that many individuals do not know how to navigate these requirements.
- There are currently few check-in points with individuals once they have found housing, leaving few opportunities to determine if someone's mental or physical health is deteriorating. Participants noted that individual circumstances can change over time. As one interviewee mentioned, "We won't actually know that someone is facing challenges, until they fail to pay their rent. That is the only time we would figure out there's a gap."
- Participants indicated that some cultures frequently see intergenerational families living together or very large families, which does not align with National Occupancy Standards stipulating the number of bedrooms that are required. These standards can disqualify families who are most in need from accessing affordable rental housing.
- Participants noted that in Edmonton, there are available rental units but they are simply not affordable. They emphasized that provision of a person-based subsidy would help to bridge the gap between rent thresholds and individual income levels.
- The importance of incorporating community as a critical component of housing was highlighted consistently. Community can help to create safer spaces for individuals, which is particularly important for vulnerable individuals. Organizations noted that individuals and families tend to have greater success when connected to their community; conversely, they have significantly greater struggles when they are separated from their community.
- It was also noted that community is not a solution that will work for everyone. In some cases, individuals flee their communities after experiencing rejection.
- Accessible housing was highlighted as a critical need. Households composed of at least one individual with a disability were reported to face greater housing insecurity.
- Participants highlighted a greater need for mental health supports.

- Given the lack of available housing options, it is difficult to place individuals in housing that aligns with their needs. As one respondent indicated, “One individual was recently placed in supportive housing. In their words, it wasn’t a good fit - it was too far away from the people they consider to be their community. So from a system perspective, it looks like a choice when they return to being homeless. But was it actually a choice? Or was it the fact that it was a bad fit that led this person to return to their community?”
- Participants also commented that there is a lack of support for landlords, and no incentives for landlords that would encourage them to expand their risk levels. They commented that many landlords start from a place of wanting to support their community, but the dynamics of providing housing to an individual or household that will not fit the central niche of a good tenant creates challenges for them.

List of Participating Organizations

The following organizations accepted our invitation to participate in a stakeholder interview or presentation during Phase 2 of the engagement process:

- HomeEd
- Edmonton 2 Spirit Society
- Affordable Housing Solutions Lab (U of A)
- Nekem Mutual Aid
- Greater Edmonton Foundation (GEF)
- Tribal Chiefs Ventures Incorporated (TCVI)
- Islamic Family and Social Services Association (IFSSA)
- Autism Edmonton
- Homeward Trust Edmonton
- E4C
- Terra Centre
- REACH Edmonton
- Boots on the Ground Edmonton
- WINHouse
- Niginan Housing Ventures
- Metis Urban/Capital Housing Corporation
- Voice of Albertans with Disabilities
- Sage Seniors Association
- Canadian Mental Health Association (CMHA) Edmonton
- Youth Empowerment and Support Services (YESS)

- Homes 4 Heroes
- Edmonton Mennonite Centre
- Enoch Housing Authority Ltd.
- The Centre to End All Sexual Exploitation (CEASE) Now
- Native Counselling Services of Alberta
- Civida
- Right At Home Housing Society
- Creating Accessible Residential Environments (CARE) Housing Society
- Edmonton Pride Seniors Group
- CANAVUA
- iHuman Youth Society
- Premier's Council on the Status of Persons with Disabilities
- Al Rashid Mosque
- John Howard Society
- Africa Centre
- Inclusion Alberta
- Catholic Social Services (CSS)
- Nisa Homes
- Edmonton Social Planning Council
- New Canadians Health Centre
- Alberta Health Services
- Edmonton Student Alliance
- The Edmonton Coalition on Housing and Homelessness
- The Refugee Health Coalition
- Women's Advocacy Voices of Edmonton
- City of Edmonton Accessibility Advisory Committee
- Ron Wickman Architect

Next Steps

For Phase 3, Administration will work with two different contractors who will engage with individuals with lived and living experiences. The results of this work will be included in the final report, which will be presented to the Community and Public Services Committee at the end of September 2022. The Housing Needs Assessment insights will inform the review and refresh of the City of Edmonton Affordable Housing Strategy, which has already been initiated. The Housing Needs Assessment insights will also inform the Affordable Housing

Investment Plan, which will be presented to the Community and Public Services Committee in Q3 2022. Beyond Phase 3, the intent is to maintain an updated and publicly available tool that will regularly adjust the needs assessment results according to the most recent available data. For example, the 2021 Census data will be available in fall 2022 and the needs assessment results will be updated accordingly and made available publicly.