

EDMONTON'S APPROACH TO SUPPORTIVE HOUSING - ONE-YEAR UPDATE

RECOMMENDATION

That the June 27, 2022, Community Services report CS00399, be received for information.

Report Purpose

Information Only

Committee is being provided a one-year update on Edmonton's approach to supportive housing.

Previous Council/Committee Action

At the February 8, 2021, City Council meeting, the following motion passed:

That Administration return to Community and Public Services Committee in one year with a report identifying how the initiatives described in the February 3, 2021, Citizen Services report CS00258 have advanced and how the City is working with the private sector to increase the supply of affordable and supportive housing.

At the May 24/27, 2022, City Council meeting, the following motion passed:

That Administration return with the following as part of the Edmonton's Approach to Supportive Housing - One Year Update report:

1. The cost of operating the supportive housing units under construction and conversion as we await the response from the provincial government on the Coordinated Community Response to Homelessness Task Force.
2. Confirmation that operating partners are able to begin offering permanent supportive housing upon building completion.

Edmonton's Approach to Supportive Housing - One-Year Update

Executive Summary

- Edmonton's Approach to Supportive Housing (CS00258) was presented to Council in February 2021 and provided an overview of sector engagement, learnings from that engagement, and actions both underway and planned.
- The City has a goal of approving 2,500 new units of affordable housing by 2022, including 600 new units of supportive housing by 2022 and a further 300 units of supportive housing by 2024.
- The City is on track to meet its supportive housing goals through the development of 13 supportive housing sites located throughout Edmonton.
- In 2022 Administration is taking steps to identify potential projects for support through round three of the Canada Mortgage and Housing Corporation's Rapid Housing Initiative.
- Administration will submit an updated Affordable Housing Investment Plan during 2023-2026 budget deliberations to ensure funding is available to leverage opportunities from the Rapid Housing Initiative and other government programs.

REPORT

Background

A Place to Call Home: Edmonton's Updated Plan to End and Prevent Homelessness was endorsed by Edmonton City Council in 2017 (September 5, 2017, Office of the City Manager report CR_4723). The Plan identified 11 actions necessary for achieving its goals of ending and preventing homelessness through an integrated systems response as follows:

1. enhancing the focus of the crisis response services and facilities on permanent housing outcomes,
2. continuing to evolve Housing First programs for maximum impact,
3. developing affordable housing and supportive housing in neighbourhoods across the city,
4. increasing access to mental health, addiction, trauma, and Indigenous wellness supports,
5. enhancing homelessness prevention and diversion measures,
6. increasing coordination between systems to mitigate homelessness risk (including discharges into homelessness),
7. increasing public education and awareness about homelessness,
8. continuing to integrate lived experience voices,
9. expanding Coordinated Access across the homeless-serving system,
10. integrating research, information and performance management at the system level, and
11. enhancing policy, funding and resource alignment and accountabilities.

In developing this specific set of actions, the Plan recognized strong progress had been made against the targets included in the original Edmonton's 10 Year Plan to End Homelessness (Bylaw 15155, February 4, 2009), but some strategies were not resourced to the level required to

Edmonton's Approach to Supportive Housing - One-Year Update

implement the Plan. In particular, the Plan highlighted the persistent gap in the creation of supportive housing in Edmonton. While the 2009 Plan called for the creation of 1,000 new units of supportive housing to meet demand, only approximately 200 units had been added in the eight years since the 2009 plan had been approved. Edmonton's progress against this goal also lagged other cities in Alberta, including Calgary, which at the time, had 558 new supportive housing units built and funded since their 2008 10 Year Plan To End Homelessness.

Supportive housing, which combines affordable housing with social, physical and mental health supports, has been identified as a critical solution to addressing the negative impacts of unsheltered homelessness. Supportive housing is not designed to be a solution for everyone at risk of experiencing homelessness, but is intended to support those with more complex needs, including people who have experienced chronic homelessness and now require additional support to access and maintain their housing. Research shows that people sleeping outside in Edmonton and in encampments on average have a higher complexity of need. The City has an overall target for homelessness in The City Plan - no chronic or episodic homelessness in Edmonton. Supportive housing is needed to achieve this target.

The continued growth in demand for supportive housing, along with sustained difficulty experienced by nonprofits in accessing funding and coordinating several different funding partners to advance the community's supportive housing goals, led City Council in 2018 to direct Administration to make supportive housing its affordable housing priority and to develop a plan for building 600 units over the next four years.

At the June 8, 2020, City Council meeting, the Interim Housing Recommendation and Financial Implications report (Citizen Services report CR_7838) was presented to Council, presenting the cost implications of moving forward with the development of six projects (five modular buildings and the Spectrum bridge housing renovation). Two options were prepared for consideration: a scenario with leveraged funding from the Canadian Mortgage and Housing Corporation and a scenario where the City would assume 100 per cent of the costs of the project. Administration was directed to pursue a leveraged funding model but Council also expressed its willingness to assume 100 per cent of the costs if no other funding was available.

Edmonton's Approach to Supportive Housing was presented to Council on February 8, 2021 (Citizen Services report CS00258). This report provided an overview of sector engagement, a review of the model that was successful for delivering supportive housing in Calgary, learnings from engagement and actions already underway or to be actioned (eg: zoning bylaw changes, assessment of hotels for conversion).

Administration also initiated further engagement with provincial and federal counterparts which influenced the creation of the Canadian Mortgage and Housing Corporation Rapid Housing Initiative. This was a new program under the National Housing Strategy, specifically focused on housing for people experiencing homelessness. Administration applied and was successful in accessing Rapid Housing Initiative Funding to support five modular build projects and three hotel conversion projects.

Progress on Edmonton's Supportive Housing Goals

Edmonton's Approach to Supportive Housing - One-Year Update

The City is seeking funding and cooperation to support the development of additional supportive and affordable housing in alignment with the Affordable Housing Investment Plan 2019-2022 (April 26, 2016, Sustainable Development report CR_3271). The plan has a goal of approving 2,500 new units of affordable housing by 2022, including 600 new units of supportive housing by 2022 and a further 300 units of supportive housing by 2024.

The City is on track to meeting its affordable housing and supportive housing goals. With respect to supportive housing specifically, as of June 1, 2022, the City of Edmonton has approved the following supportive housing projects:

- Committed to the development of 13 non-profit operator-led supportive housing sites across the city to provide 644 supportive housing spaces for vulnerable Edmontonians (Attachment 1). This represents a growth of 28 per cent in the existing supportive housing inventory prior to the start of the Investment Plan;
- Leveraged \$75,000,000 in funding from other sources, primarily through federal funding programs;
- Committed grant contributions of \$47,000,000 which generate up to \$180,000,000 in economic activity on supportive housing sites.

Continued municipal investment will allow the City to leverage funding from other levels of government and achieve the supportive housing goals outlined above. Administration intends to continue leveraging land holdings and financial contributions to create a series of investment-ready projects that can attract substantial capital and operating funding contributions. The Updated Affordable Housing Investment Plan 2023-2026 will recommend that the City carry forward this approach, lessons learned, and momentum..

Operational Costs of Supportive Housing

Supportive housing is geared to people with very low incomes who would not otherwise be able to maintain housing on their own. The revenues generated by rents paid by each resident are insufficient to cover the costs of operating the building and providing the services required to allow tenants to thrive. Operational funding is needed to support rent subsidies to tenants, the 'lights-on' costs (including base building operations, utilities and maintenance), as well as to cover the cost of services provided on-site. These services may include 24/7 on-site supportive tenancy management, clinical care services, meal provision, personal support services such as assistance with independent living skills and behavioural management, and provision of enriching recreational and social activities and programs.

To realize the benefits from the existing capital investments, the City must secure operating funding from the Government of Alberta. Both Council and Administration are working with their provincial counterparts to confirm the need and secure funding. Should funding be granted, it will advance both Edmonton's goals and the goals from the Province's affordable housing plan (*Stronger Foundations: Alberta's 10-year Strategy to Improve and Expand Affordable Housing*). In addition to the operating funding, the City is hopeful that additional provincial funding will be provided for the capital and operating expenses associated with additional units.

Edmonton's Approach to Supportive Housing - One-Year Update

Homeward Trust is the aggregator of public funds from all orders of government to contract services to end homelessness in Edmonton. Funding for the on-site supports for current supportive housing projects has been a focus of Homeward Trust since 2018.

Supportive housing projects are not independent from the rest of Homeward Trust's coordinated response and rely on several budget categories that are funded all or in part with provincial funds. A reduction in funding or added responsibility within existing funding structures can impact the full homeless-serving portfolio. Examples include:

- Given limited rental income received from occupants, rental assistance programs (which are currently allocated to numerous other supportive housing buildings) are required to ensure sufficient revenue to operate new supportive housing buildings.
- Existing coordinated access and Housing First teams are directly involved in housing placement and complement on site support with some case management roles,
- Client costs and issues with vacancy management, damages or other concerns are mitigated through the existing landlord relations team and costs are provincially supported.

Homeward Trust submits an annual Service Delivery Plan to the Community and Social Services Ministry annually for approval. The Service Delivery Plan includes a community report as well as schedules for all planned allocations of contract funding.

- The 2021/2022 Service Delivery Plan included funding for five new modular building sites showing a deficit on a budget that was already underfunded.
- The 2022/2023 Service Delivery Plan includes a partial allocation of funding to existing and planned supportive housing sites.
- Homeward Trust has continued to ask the provincial government for additional funding.

Reviewing urgent needs

For Rapid Housing Initiative Round One, five modular building supportive housing projects (with a combined 210 units) are expected to open between July and early September. Each Rapid Housing Initiative Round One property will have a non-profit contracted by Homeward Trust Holding Company to run support services and operations. Once operational, the non-profit housing providers at each site intend to fund operations of the site with funds allocated by Homeward Trust, in-kind contributions from Alberta Health Services and fundraising activities of the operating organization

For Rapid Housing Initiative Round Two, the first hotel conversion project, Prairie Manor (former Days Inn), is expected to open in late July to early August with the following two conversion projects (Coliseum Inn and Sands Hotel) expected to open in the next 12 months. This second round will result in an additional 243 units.

The permanent supportive housing sites (with a total of 453 units) require confirmation of funding for supportive services as soon as possible. The annual operating cost for the five modular supportive housing sites is projected to be \$5,861,000. The annual operating costs for

Edmonton's Approach to Supportive Housing - One-Year Update

the three hotel conversion supportive housing sites is projected to be \$5,200,000. The annualized total is projected to be \$11,061,000.

Contingency Planning on Operational Costs

Homeward Trust is working to ensure the new permanent supportive housing sites can open upon completion of building construction and staff training at each site and have operations remain stable once opening.

Federal funding was confirmed in March 2022 that included an interim two year increase to Reaching Home contracts that can be applied to supportive housing sites. This funding is not expected beyond 2023/24.

Federal Reaching Homes funds, cost sharing in roles and the reallocation of resources by Homeward Trust will allow the five modular supportive housing sites to begin a phased intake at the sites between June and August 2022. The Prairie Manor is scheduled to open in July 2022.

The Coliseum Inn and Sands Hotel conversion projects have not yet solidified funding arrangements or precise dates for opening. Dependent on levels of funding, support services may need to be adjusted resulting in a reduction in units available for individuals with more complex needs.

Given that the City has received funding allocations from other orders of government to support capital costs of projects in exchange for promises of long-term supportive housing use, the continued operation of these sites is important to ensuring that the City can maintain its contractual obligations to other orders of government.

Next Steps

Although the Affordable Housing Investment Plan 2019-2022 was successful, there is still a considerable gap of affordable housing for Edmonton's current population. Homeward Trust is working on an updated plan to end homelessness that will confirm supportive housing needs going forward in recognition of the impact of the pandemic and as the city continues to grow to a city of two million people. If the City is to meet The City Plan targets of no chronic homelessness, there needs to be continued investment in the critical infrastructure of supportive housing.

In order to continue the momentum the City has built around the development of supportive housing, a number of activities are planned for the remainder of 2022:

- Support Homeward Trust in the development of an updated plan to end homelessness.
- Working with the Canadian Mortgage and Housing Corporation and local partners to prepare submissions for the third round of the Rapid Housing Initiative.
- Update the Affordable Housing Investment Plan submission for Council consideration as part of the 2023 - 2026 budget deliberations.

Edmonton's Approach to Supportive Housing - One-Year Update

Budget/Financial Implications

Per previous Council direction, Administration will bring forward the Affordable Housing Investment Plan funding requirements for consideration by Council during the 2023 - 2026 budget deliberations. Supportive Housing will be included as part of the plan.

COMMUNITY INSIGHT

Administration is in continual conversations with local non-profit affordable housing providers on opportunities and challenges faced in the development of new supportive housing units — those observations are detailed throughout this report. As one of the conversation forums, Administration convenes the largest non-profit housing providers in Edmonton for bi-monthly meetings, this is known as the “Shovel Ready Working Group.”

GBA+

The number of Edmontonians experiencing homelessness has almost doubled since the beginning of the pandemic. Homeward Trust's By Name List serves as a real-time record of all known people currently experiencing homelessness across Edmonton. As of May 2022, there are more than 2,800 people on this list. Of those 2,800 plus people, over 1,150 are either currently staying in a shelter or sleeping outdoors, with the remainder provisionally accommodated (couch-surfing, short-term housing, etc.) Despite making up only five per cent of Edmonton's overall population, over 60 per cent of these individuals are Indigenous.

In addition to the ongoing barriers individuals experiencing homelessness face in accessing public services like transportation, regular and appropriate health care, food, and shelter, the identities of those individuals intersect with other equity-seeking groups. The experience of racialized and two-spirit, lesbian, gay, bisexual, transgender, queer/questioning, and plus (2SLGBTQ+) community members experiencing homelessness is uniquely challenging in that they face additional discrimination and lack of appropriate support when trying to access existing shelter, housing, and social service systems. People with disabilities and significant health challenges are overrepresented among those experiencing homelessness – being homeless also worsens health issues and itself is a cause of poor health and an elevated risk of death. Many services available to people experiencing homelessness are not designed to meet the needs of people with significant and complex physical and mental health challenges, including substance use disorders. Supportive housing is critical social infrastructure necessary for ensuring no Edmontonian has to go without a roof over their head.

As a funder of the homeless-serving sector, the City endeavors to include contractual provisions in its agreements with agencies to best ensure the removal of barriers to access for vulnerable persons experiencing homelessness.

ATTACHMENT

1. Supportive Housing Sites Committed: Affordable Housing Investment Plan 2019-2022