

Affordable Housing and Homelessness: Update on Major Work Underway

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Overview of Presentation

- 1. Context**
- 2. Recent Progress**
- 3. Moving Forward**
- 4. Report-Specific Discussion**
- 5. Conclusion**

Council Reports

For Information

1. Affordable Housing Investment Plan - Update (CS01188)
2. Edmonton's Approach to Supportive Housing - One-Year Update (CS00399)
3. Update on Housing Needs Assessment (CS01089)
4. Indigenous-led Shelters, Housing and Programing (CS00939)
5. Indigenous Affordable Housing Strategy (CS00433)
6. City of Edmonton Minimum Emergency Shelter Standards - Education and Communication Update (CS00796)
7. Tax Relief Parameters and Grant Mechanisms (FCS01181)

Decision Needed (1 total)

1. Walker Fire Station Co-Location Update (CS01295)

1. Context

- Housing Need
- Affordable Housing Spectrum & Inventory
- The City's Role in the Affordable Housing and Homelessness Ecosystems
- Summary

Context: City Plan

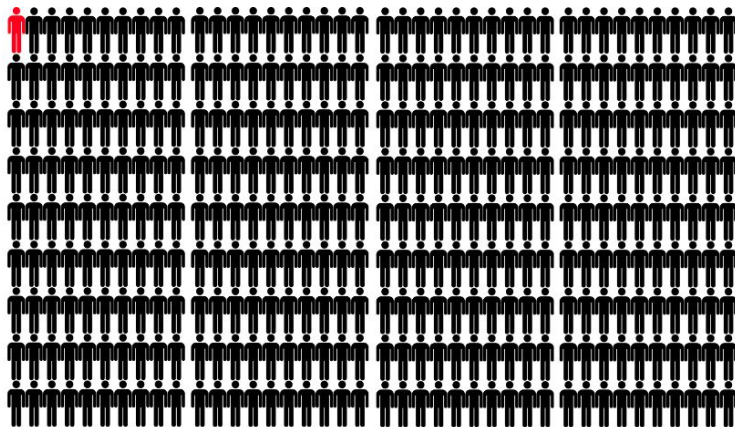


The City Plan's long term vision for a truly inclusive City includes the goals:

- No chronic or episodic homelessness
- Nobody is in core housing need

To achieve these goals, a significant expansion of affordable and supportive housing inventory will be needed.

Context: The Need



One in 360 Edmontonians:

- 2,727 Edmontonians currently experiencing homelessness.
- 470 in shelters; 688 outdoors; 56 unknown
- 45% female, 23% youth/child, 61% Indigenous
- **Needs:** Emergency Shelters, Transitional Housing and Supportive Housing



One in Seven Households:

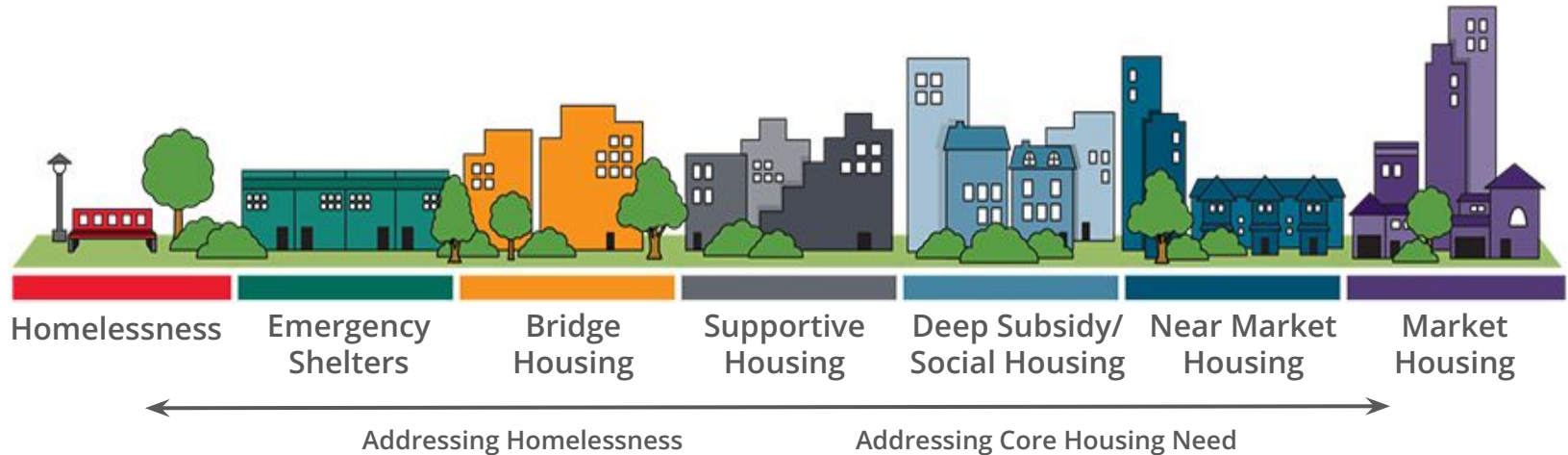
- 49,215 Edmontonian households are in **core housing need**.
 - **Affordable:** No more than 30% pre-tax income.
 - **Suitable:** Enough space and bedrooms for household.
 - **Adequate:** Does not need major repairs.
 - Can't afford alternatives that meet all three standards.



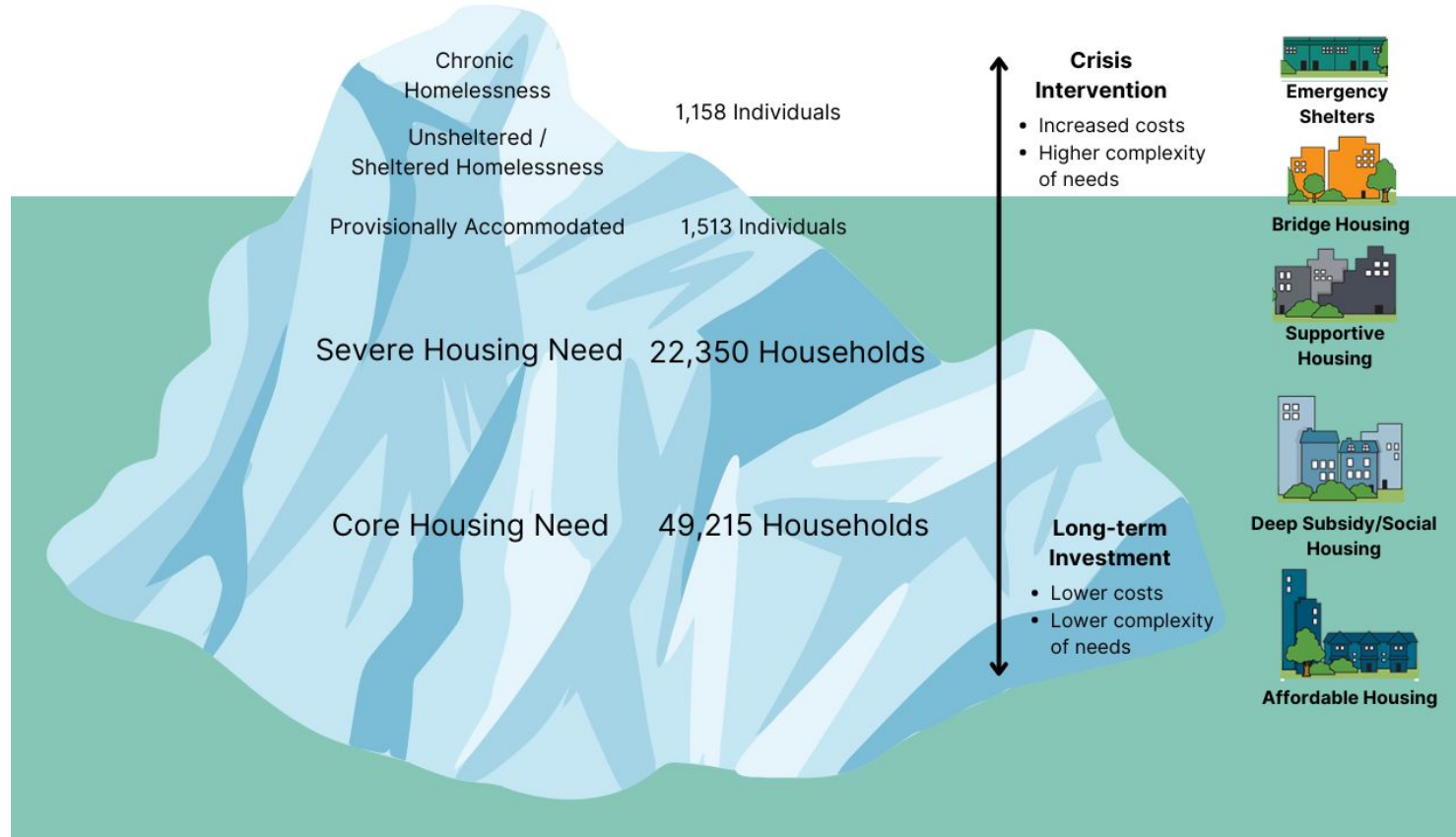
One in Four Renters:

- 33,320 renter households are in core housing need.
- 17% of renter households are spending more than 50% of income on rent and utilities (Severe housing need)
- Renters are **four times** more likely than homeowners to be in core housing need.
- Single mothers (51%); Seniors (61%), People with physical, mobility and psychosocial needs.
- **Needs:** Approximately 59,000 units by 2026 (Deep subsidy, shallow subsidy, near market).

Context: The Affordable Housing Spectrum

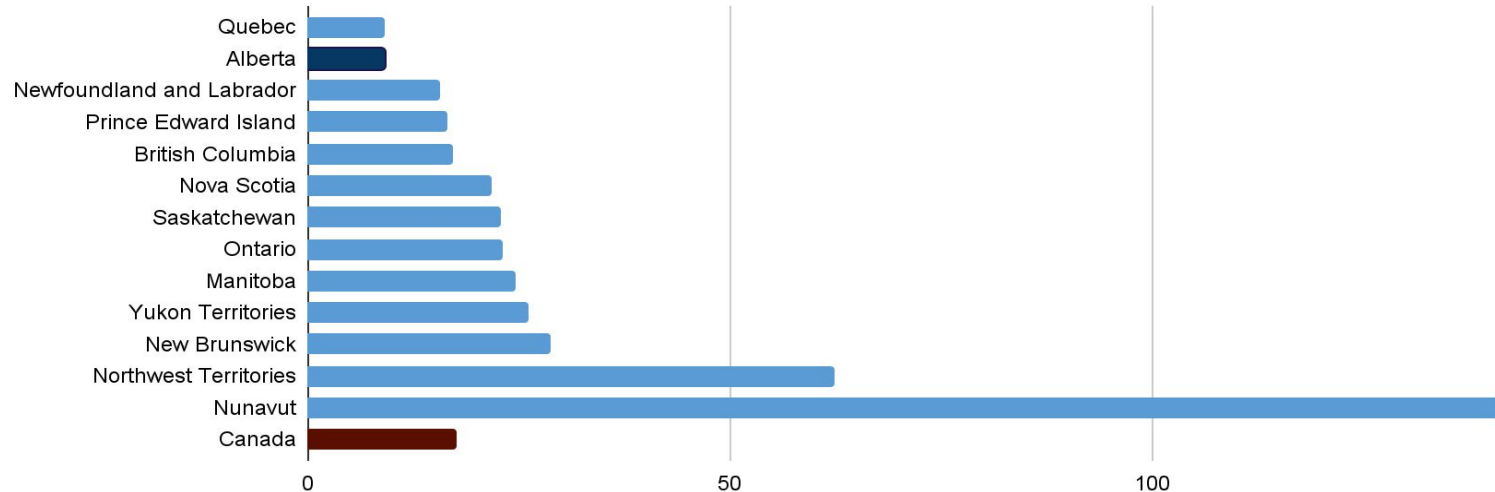


Context: Housing Need and Homelessness



Context: Affordable Housing Inventory (CMHC 2021)

Number of Affordable Housing Units per 1,000 Residents



In 2021, Edmonton had 14,837 units of Affordable and Social Housing.

Context: Affordable Housing & Homelessness Ecosystem

Affordable Housing Providers

Non-Profit Housing Providers
Housing Management Bodies
Private Developers

Government Funders

Government of Alberta
Government of Canada
City of Edmonton

Homeward Trust

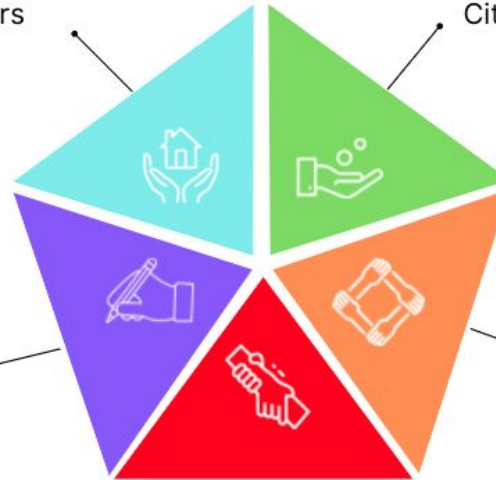
Homelessness
System Planner

Other Partners

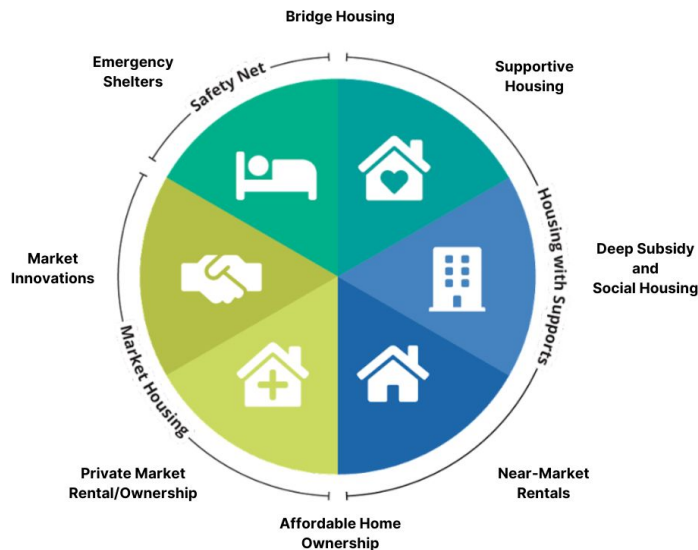
First Responders
Mutual Aid Groups
Strategic Partners

Homeless-Serving Agencies

Service Providers
Emergency Shelter Providers



Context: The City's Role in the Ecosystem



Affordable Housing

- City of Edmonton actively involved since the 1950s
- Role has changed over time and has included land provider, developer, advocate, funder, regulator, owner/asset manager and others
- **Today's** focus is on leadership and coordination
 - Not typically developing ourselves
 - Provide limited but predictable and consistent source of funding and land for housing

Homelessness

- All three orders of government have delegated responsibility for coordinating community efforts to end homelessness to Homeward Trust
- **Current City Role:** Support and Partnership
 - Focus on creating supportive housing
 - Operational responses where required

Context: Summary

- The City Plan establishes clear goals around homelessness and affordable housing, which are tied to other equity goals.
- Like other Canadian cities, Edmonton struggles with housing affordability
- Approximately 50,000 households struggle to afford housing
- Disproportionately high percentage of renters in severe housing need
- Homelessness doubled during the pandemic, after 45% reduction.
- Edmonton trails other Canadian cities in affordable housing per capita
- Homelessness and core housing need are interconnected
- The City is one actor in a complex ecosystem.

2. Recent Progress

- Shift in approach
- Policy Levers and Program Infrastructure
- Results 2018-2022

Recent Progress: A Shift in Approach

City Auditor findings for 2012-17:

- Programs had failed to meet goals.
- No federal or provincial funding.
- Missed opportunities due to lack of shovel-ready projects.

Revised approach in 2018:

- **Goal:** Create more units, leveraging support from other governments.
- **Approach:** Predictability and consistency key to creating pipeline of projects.
- **Funding:** New proactive investment plan involving capital funding and use of land assets.

New Opportunities

Federal Government

\$40 billion over ten years

TARGET

- 50% reduction in chronic homelessness
- 530,000 households being taken out of housing need
- 100,000 new housing units
- 300,000 renewed housing units.

Provincial Government

\$1.2 billion over five years

TARGET

- 4,100 new and regenerated affordable housing units by 2021.

OCTOBER 29, 2018 • UPDATED AFFORDABLE HOUSING INVESTMENT PLAN



A Proactive Approach



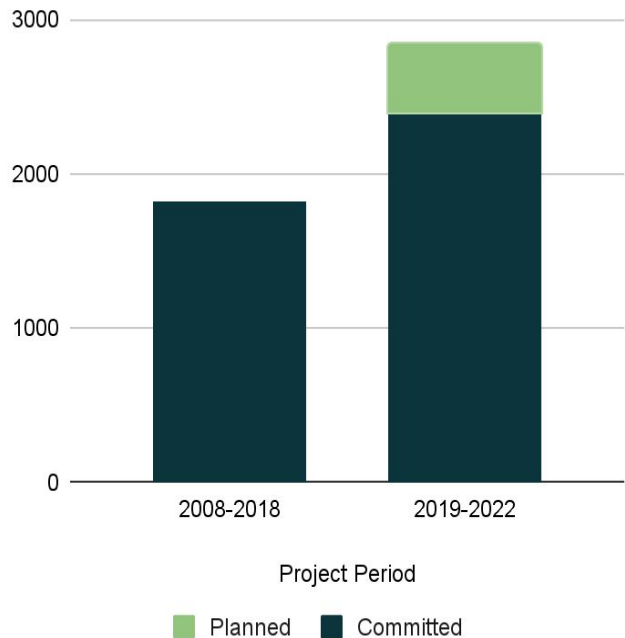
- Municipal leadership is needed to set the conditions for success
- Proactive approach will:
 - Attract more funding and investment
 - Support creation of a pipeline of projects
 - Address local priorities
 - PSH
 - Geographic distribution

OCTOBER 29, 2018 • UPDATED AFFORDABLE HOUSING INVESTMENT PLAN



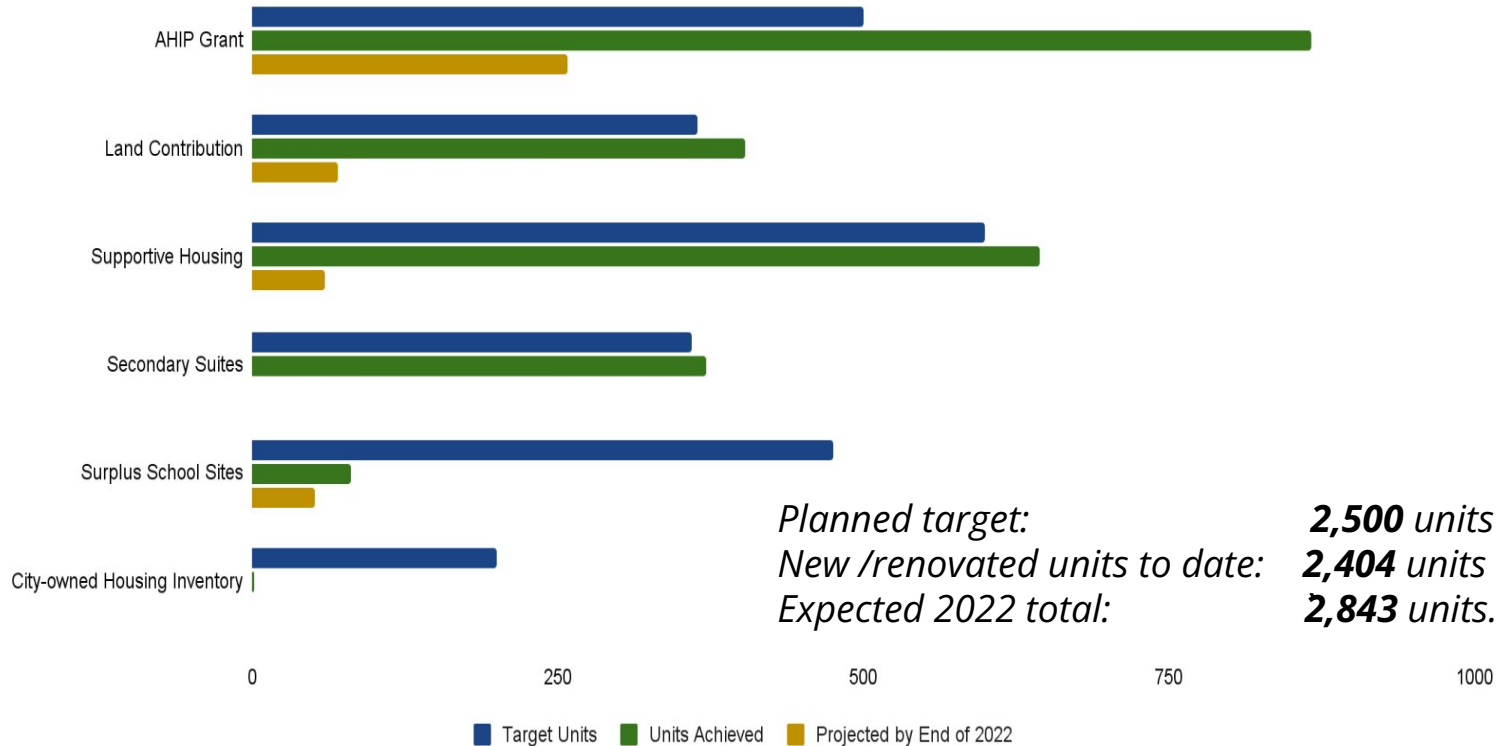
Edmonton

Recent Progress: 2019-2022

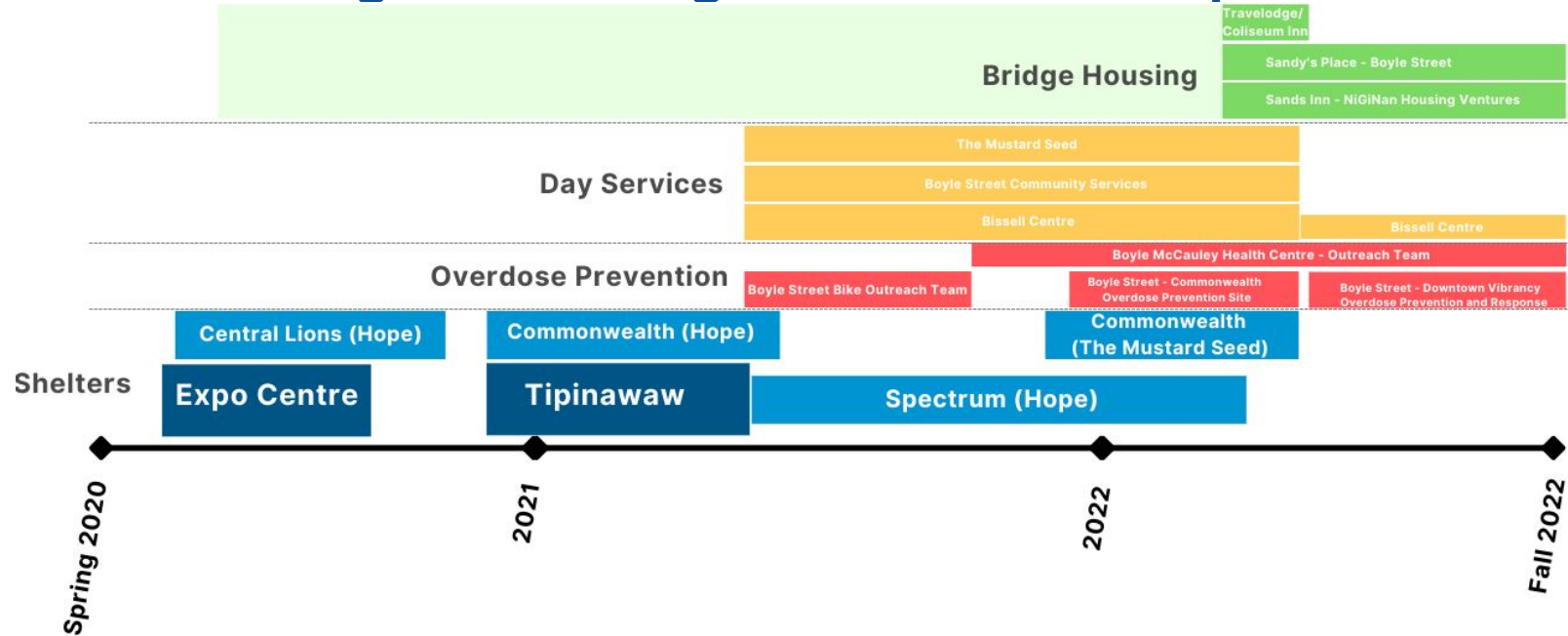


- **In the past four years, more units were developed than the previous decade.**
 - \$115M commitment leveraged an additional \$527 million in investments
- **2,404 new affordable housing units:**
 - 644 Supportive Housing (very low income)
 - 297 Deep Subsidy (very low income)
 - 1,463 Below market (low income)
- **1,559 additional units renewed (MSP)**
- **Key housing policies supporting this work:**
 - Affordable Housing Investment Guidelines (C601)
 - City Land Assets for Nonprofit Affordable Housing (C437)

Recent Progress: AH Investment Plan 2019-2022



Recent Progress: Shifting Homelessness Response



The dynamic challenge of the pandemic led to **significant shifts** in the City of Edmonton's roles on homelessness response.

Recent Progress: Homelessness



In 2018, Homeward Trust identified a 916-unit gap in supportive housing.

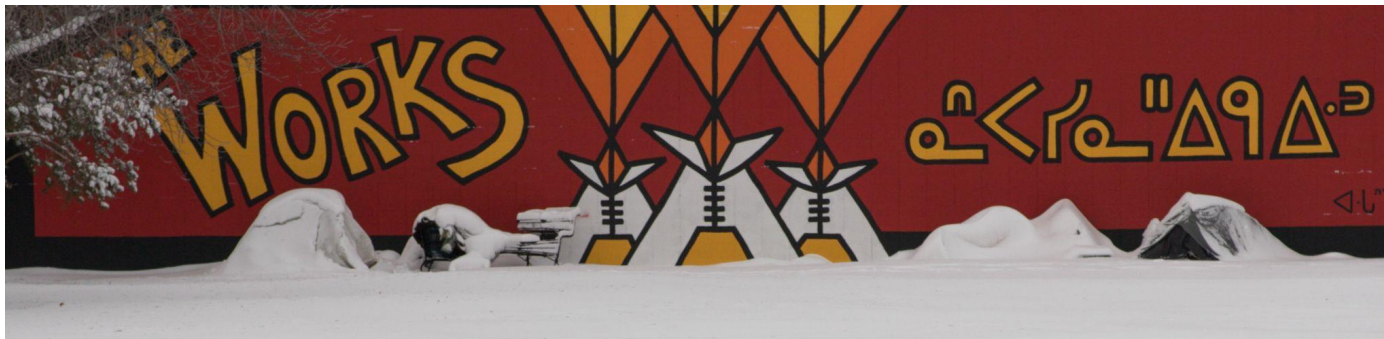
Supported by Council, Administration focused efforts on accelerating development.

Shovel-Ready: Identified sites and prepared to develop ourselves

Zoning bylaw change: Enabling more supportive housing

Intergovernmental relationships contributed to the creation of CMHC's Rapid Housing Initiative, which has led to 453 units to date.

Recent Progress: Homelessness



Extreme Weather Policy

- Standardized response to extreme winter/summer weather

Encampments/Unsheltered Homelessness

- Encampment Response Team
- COTT and multidisciplinary teams

Intergovernmental relationships

- Worked closely with the Province on emergency pandemic shelter provision, including integration of the Minimum Emergency Shelter Standards

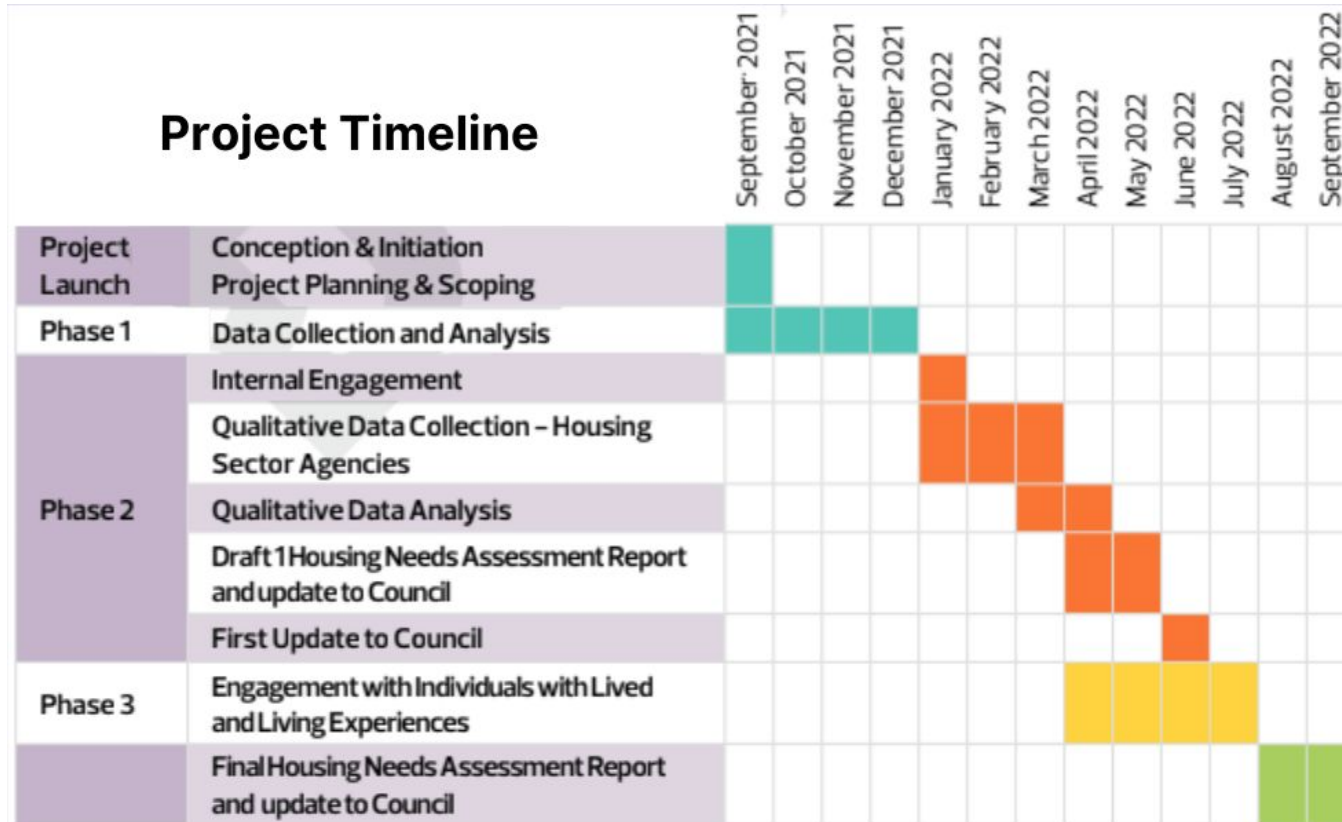
Recent Progress: Summary

- Previous strategies of waiting for other orders of government to align and prioritize affordable housing in Edmonton on their own proved ineffective.
- A new strategic approach in 2018 emphasized proactive investment to ensure predictability and consistency. More units were developed the last four years than the previous decade.
- City leadership will be required to ensure continued growth in the nonmarket housing inventory to address backlog and meeting needs of an inclusive and growing City
- A leadership role on supportive housing meant the City was ready to take advantage of the federal Rapid Housing Initiative and MSP Funding
- Policy changes have supported the work to date - including zoning bylaw changes, investment guideline changes, use of City-owned properties - further opportunities may exist.
- Addressing homelessness requires a balance of immediate and longer-term preventative investments.

3. Moving Forward

- Housing Needs Assessment & Refreshed Strategy
- Affordable Housing Investment Plan 2023-2026
 - i. Opportunities & Risks
- Focus on Indigneous-Led Projects
 - i. Indigneous Affordable Housing Strategy
 - ii. Indigenous-Led Shelter
- Homelessness Response
 - i. Planning for Winter
 - ii. Corporate Plan

Moving Forward: New Housing Needs Assessment



Moving Forward: New Housing Needs Assessment

Initial Findings:

- Biggest gaps are for people with the lowest incomes
- Disproportionately high housing need among several populations:
 - Women-led households, including women and children fleeing violence
 - People with physical disabilities
 - People with mental health challenges & substance use disorders
 - Seniors
 - LGBTQ2S+ people
 - Indigenous peoples
 - Racialized people, including recent immigrants
 - Large/multi-generational families

Moving Forward: Refreshed Affordable Housing Strategy

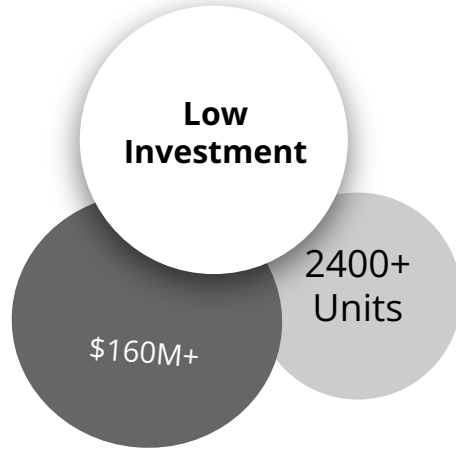


Necessary to reflect changing context:

- Post-pandemic realities
- New needs assessment and inventory data
- Indigenous-led Affordable Housing Strategy actions
- Understanding of needs of underserved groups
- Emerging and outstanding priorities
- Alignment with goals of GoA & GoC
- Launch of new investment cycle

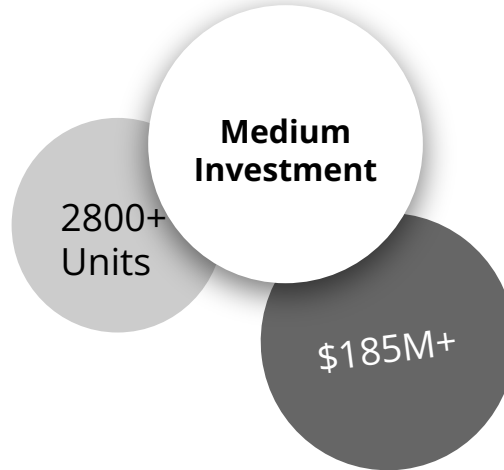
Moving Forward: 2023-26 Investment Plan Options

Three funding plan scenarios for Council consideration:



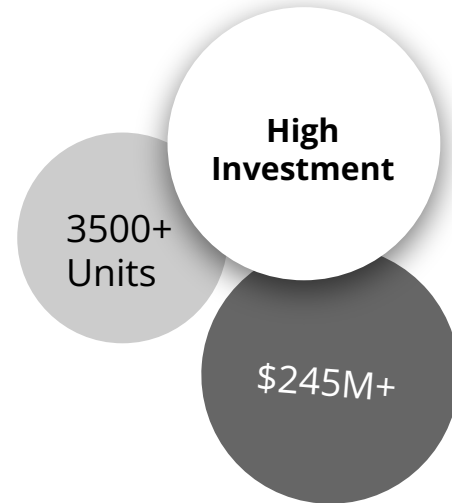
Scenario 1:

City contribution: \$163.4 million
Expected project value: \$508.2 million



Scenario 2:

City contribution: \$187.2 million
Expected project value: \$613 million



Scenario 3:

City contribution: \$246.4 million
Expected project value: \$917 million

Moving Forward: Risks

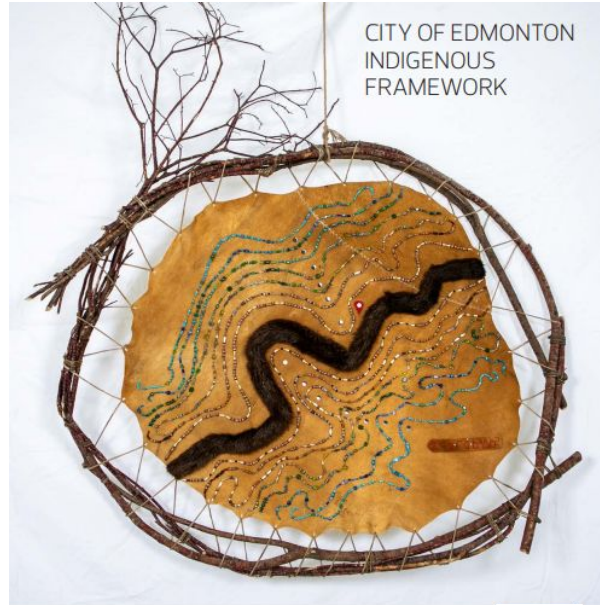
Risks:

- **Inflation:** Adding pressure on capital and operating costs
- **Operational funding:** A lack of ongoing funding could impede future federal Rapid Housing Initiative funds for supportive housing
- **Capital funding:** Lack of significant capital funding from one or more orders of government

Opportunities:

- **Government of Canada:** Invested billions in National Housing Strategy.
 - Remains committed to halving chronic homelessness by 2030
 - **Funding:** RHI Round 3, Housing Accelerator Fund, Revamp of National Housing Strategy, new Urban Indigenous Housing strategy, shelter funding
- **Government of Alberta:** New Affordable Housing Strategy
 - Potential to work together on several key priorities including tax exemptions, shelter capacity and Indigenous-led housing

Moving Forward: Focus on Indigenous-Led Projects



Artist: M.J. Belcourt

Indigenous-led Affordable Housing Strategy

- Jointly developed by an Advisory Committee, project consultants and informed by a robust engagement process
- Independent report identifies 23 recommendations for City to help prioritize and incentivize the development of Indigenous-led affordable housing
- Administration is supportive of all 23 recommendations

Indigenous-led Shelter

- First phase of engagement underway
- Initial funding for planning approved with CWSB strategy

Indigneous-led Outreach Team to improve service delivery to people living in encampments

Moving Forward: Evolved Homelessness Response



- **Integrated Corporate Homelessness Response Plan**
- **Extreme Weather (C620) Policy Review**
 - Winter 2022 planning underway
- **Homelessness Prevention**
- **Encampment Response**
 - Continuous improvement

Moving Forward: Summary

- Affordable Housing Needs Assessment will provide the foundational information needed to inform strategy refresh
- Administration will present final needs assessment and framework for the refreshed strategy in the Fall
- City leadership is required to ensure continued growth in the nonmarket housing inventory to address backlog and meeting needs of a growing City
- Opportunity to maintain momentum and build upon recent success and attract further funding from other orders of government for affordable housing by approving a new investment plan for the future
- Administration will bring forward resource requests for Council's consideration as part of the 2023 - 2026 budget deliberations.
- The development of the corporate homelessness response plan will enable further integration, alignment, and evolution of all the City's activities.

4. Report-Specific Discussion

- Tax Relief Parameters and Grant Mechanisms (FCS01181)
- Walker Fire Station Co-Location Update (CS01295)

Tax Relief Parameters and Grant Mechanisms - FCS01181

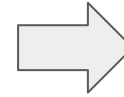
- Most affordable housing properties are currently taxable, but some affordable housing is exempted through provincial legislation.
 - Legislation for these exemptions continues to change.
 - A number of previously-exempted properties have the potential to become taxable in the near future
- Administration is developing a grant program to offset taxes for properties that are not exempt.
 - Program is based on legal commitments (e.g. funding agreements) undertaken by providers.
- Grant would offset municipal property taxes based on the proportion of units required to be affordable as per commitment.
- Straightforward application with basic eligibility requirements.

Tax Relief Parameters and Grant Mechanisms - FCS01181



Property 1

Mixed use property commits to province that all residential units will be rented at 75% of market value

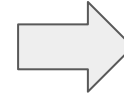


Grant offsets 100% of municipal residential property taxes



Property 2

Commits to CMHC that 60% of units will be rented at 30% of median renter income for 10 years

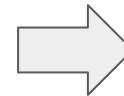


Grant offsets 60% of municipal residential property taxes



Property 3

Commits to City that 50% of units will be rented at 75% of market value



Grant offsets 50% of municipal residential property taxes

Tax Relief Parameters and Grant Mechanisms - FCS01181

- No further direction required, but program is not funded.
- Could be brought forward as an unfunded service package for 2023-26 budget deliberations.
- Current cost estimate is approximately \$5 million

Walker Fire Station Co-Location Update - CS01295

- A new fire station, the Walker Fire Station, in the southeast area of the city was approved in the 2019 - 2022 capital budget.
- The project scope is proposed to be amended to include a fire station and supportive housing units in the same facility.
- This co-location project is a change of scope from the original capital budget business case
 - Co-locating fire rescue, emergency medical services and supportive housing will improve livability for citizens, optimize investment and inform future planning criteria
- Future engagement activities are planned as part of the rezoning activities
- Administration is evaluating opportunities for further integrated corporate land and facilities planning

5. Conclusion

Recommendation: That the June 27, 2022, Community Services reports, be received for information

- Affordable Housing Investment Plan - Update (CS01188)
- Edmonton's Approach to Supportive Housing - One-Year Update (CS00399)
- Update on Housing Needs Assessment (CS01089)
- Indigenous-led Shelters, Housing and Programing (CS00939)
- Indigenous Affordable Housing Strategy (CS00433)
- City of Edmonton Minimum Emergency Shelter Standards - Education and Communication Update (CS00796)
- Tax Relief Parameters and Grant Mechanisms (FCS01181)

Recommendation: That the approval of the revised scope of the Walker Fire Station project from a standalone fire station to an integrated fire station and supportive housing project, as outlined in the June 27, 2022 Community Services report CS01295, be recommended to the July 6th City Council for approval.

Thank you