

## UPDATED AFFORDABLE HOUSING STRATEGY

### RECOMMENDATION

That the September 26, 2022, Community Services report CS01088, be received for information.

<b>Requested Council Action</b>	Information Only		
<b>ConnectEdmonton's Guiding Principle</b>	<b>ConnectEdmonton Strategic Goals</b>		
<b>CONNECTED</b> This unifies our work to achieve our strategic goals.	Healthy City and Urban Places		
<b>City Plan Values</b>	BELONG. LIVE. THRIVE. ACCESS.		
<b>City Plan Big City Move(s)</b>	Inclusive and compassionate	<b>Relationship to Council's Strategic Priorities</b>	Community safety and well-being
<b>Corporate Business Plan</b>	Transforming for the future		
<b>Council Policy, Program or Project Relationships</b>	<ul style="list-style-type: none"> <li>• C601 - Affordable Housing Investment Guidelines</li> <li>• C437A - City Land Assets for Non-Profit Affordable Housing</li> </ul>		
<b>Related Council Discussions</b>	<p>A short list of Council discussions and/or short-form pending motions related to the Item:</p> <ul style="list-style-type: none"> <li>• CS00796 City of Edmonton Minimum Emergency Shelter Standards, Community and Public Services Committee, June 27, 2022</li> <li>• CS00939 Indigenous-led Shelters, Housing and Programming, Community and Public Services Committee, June 27, 2022</li> <li>• CS00433 Indigenous Affordable Housing Strategy, Community and Public Services Committee, June 27, 2022</li> <li>• CS00399 Edmonton's Approach to Supportive Housing, Community and Public Services Committee, June 27, 2022</li> <li>• CS01089 Update on Housing Needs Assessment, Community and Public Services Committee, June 27, 2022</li> <li>• CS01188 Affordable Housing Investment Plan - Update, Community and Public Services Committee, June 27, 2022</li> </ul>		

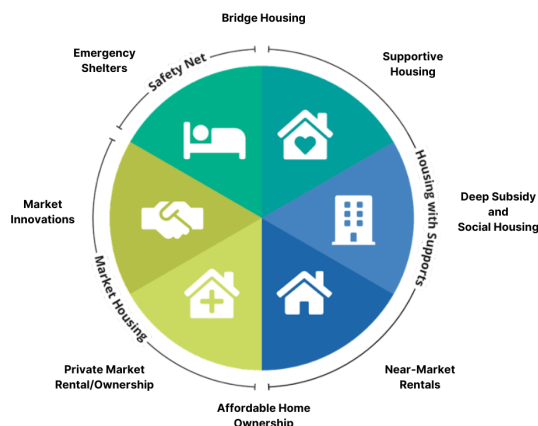
# UPDATED AFFORDABLE HOUSING STRATEGY

## Executive Summary

- The first five phases of research to support an Updated Affordable Housing Strategy project are complete, leaving only the final phase: strategy development.
- Committee is being provided an update on the work completed to date, including:
  - Foundational Elements for the Updated Affordable Housing Strategy
  - Final Edmonton Housing Needs Assessment Report
  - Lived Experience Engagement Reports
  - A Jurisdictional Scan of Canadian cities
  - Progress Update on 2016-2025 Affordable Housing Strategy
  - A “What We Heard Report” from two rounds of engagement with Edmonton’s affordable housing sector stakeholders
  - Analysis of Inter-governmental Context
- During the final phase, Administration will continue to engage the public through Insight Community surveys, other orders of governments and relevant City business areas to inform the creation of the Updated Affordable Housing Strategy. Additional work will be conducted to assess the feasibility of implementing tactics suggested by participants during lived experience and external stakeholder engagements.
- The final draft of the Updated Affordable Housing Strategy will be presented to City Council for final approval in 2023. It will include an implementation plan and measurement framework, guiding the City’s actions and investments from 2023 through 2026.

## REPORT

The elimination of core housing need and homelessness are identified in Edmonton’s City Plan as key goals, integral for the future health, resilience and prosperity of all Edmontonians. To ensure all Edmontonians can thrive, the City of Edmonton is committed to increasing the supply of safe, adequate and affordable housing in all areas of the city. Affordable housing includes a spectrum of affordable housing options, including supportive housing, deep subsidy and social housing and near-market rentals.



## **UPDATED AFFORDABLE HOUSING STRATEGY**

### **Background**

In 2015, City Council approved the 2016-2025 Affordable Housing Strategy, which included tools to support the creation of new, enhanced and redeveloped affordable housing units. Affordable housing is defined as housing that requires subsidization to be affordable for its residents, often with rents or payments below average market cost, and is targeted for long-term occupancy by households who earn less than the median income for their household size. To encourage non-profits and affordable housing developers to increase the supply of affordable housing, the City provided grant funding and below-market land sales.

The 2016-2025 Affordable Housing Strategy committed to an Updated Affordable Housing Investment Plan (2019-2022), approved by City Council in 2018. The Plan guided the City's \$132.7 million affordable housing investments between 2019 and 2022, with targets of 2,500 new or renovated affordable housing units, 600 of which would be supportive housing.

Since then, the City has made commitments towards 2,670 affordable housing units across the City, including 644 supportive housing units. The City's \$115 million contribution in grants and capital projects, and land valued at \$28 million was leveraged towards \$527 million in affordable housing investments, including \$124 million from other orders of government and \$288 million in equity from housing providers. Administration expects an additional up to 50 affordable housing units to be committed to by the end of 2022, increasing the four-year total to 2,720 units and surpassing the original 2,500 target.

The gains in supply of affordable and supportive housing as a result of investments over the past four years demonstrates the pivotal role the City can play as an early and reliable investor for affordable housing in Edmonton. While the City of Edmonton cannot alone bear the responsibility for ensuring all Edmontonians can afford a home, the last five years have demonstrated that municipal leadership is key when it comes to articulating the specific needs of Edmontonians and attracting investment and leveraging funds from other orders of government.

The COVID-19 pandemic has profoundly impacted Edmontonians. The pandemic disrupted global supply chains and created imbalances in the supply of select commodities, which has been exacerbated by the war in the Ukraine. These factors have been significant forces in accelerating inflation. In response to this, interest rates have been on the rise, which is adding to financial pressures on households and businesses. These factors will affect non-profit affordable housing providers' ability to expand and renew Edmonton's affordable housing stock. The City will need to continually consider the impacts of climate change and emissions associated with housing, which will require retrofits for aging affordable housing stock while also ensuring new units are resilient and cost effective in a carbon-constrained future. To navigate these challenges, the City should adapt its approach to addressing affordable housing needs. An updated Affordable Housing Strategy will enable the City to be flexible in responding to evolving circumstances and challenges over the next four years.

### **Developing the Updated Affordable Housing Strategy**

#### *Scope and Alignment*

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The primary focus of the updated strategy will be identifying effective strategies for reducing core housing need in Edmonton and increasing the supply of affordable housing across Edmonton. Core housing need is defined by the Canada Mortgage Housing Corporation as housing that falls below at least one of the adequacy, affordability or suitability standards. It also considers if income levels are such that they could not afford an alternative, suitable and adequate housing in their community. This focus is directly connected to the goals and targets outlined in The City Plan, namely, an inclusive and compassionate city where nobody is in core housing need and there is no chronic or episodic homelessness. These goals and targets cannot be achieved without more affordable housing across the city. While the updated strategy will focus on housing supply and not on homelessness supports and services, it will need to work in synergy with the corporate homelessness plan and updated community plan to end homelessness that are anticipated to be complete in 2023. Homelessness supports and affordable housing function together in an ecosystem that includes a spectrum of services, from emergency shelters to market housing.

In addition, the updated strategy will align and support the work of the Community Safety and Well Being Strategy, in particular with the pillars, Pathways In and Out of Poverty, Reconciliation, and Equitable Policies, Procedures, Standards and Guidelines. Furthermore, as part of reconciliation efforts, the updated strategy will fully integrate the action oriented recommendations from the Indigenous Affordable Housing Strategy project into the implementation plan as a part of the final phase of work.

### *Process*

Administration has adopted a six-phase process to support the development of a new affordable housing strategy for the City of Edmonton. Each phase focuses on a specific input needed to support the development of a robust, thoughtful and effective strategy. Phases One to Five have been completed thus far and the results from each are attached to this report, as follows:

1. Phase 1 - a new comprehensive Housing Needs Assessment, including phased engagement with individuals with living and lived experiences of housing need (Attachments 1, 2 and 3).
2. Phase 2 - Jurisdictional Scan (Attachment 4)
3. Phase 3 - Progress Report on 2016-2025 Affordable Housing Strategy (Attachment 5)
4. Phase 4 - Engagement with people with lived experience, non-market housing providers and other key stakeholders in Edmonton's Affordable Housing Strategy (Attachments 2, 3, 6)
5. Phase 5 - Creating draft Foundational Elements to serve as a framework for building the a Affordable Housing Strategy (Attachment 7)
6. Phase 6 - Strategy Development (will occur between now and mid-2023)

Descriptions of the work undertaken in each of the above phases is summarized below.

### Phase 1: Housing Needs Assessment

The updated Affordable Housing Strategy will be informed by a comprehensive Housing Needs Assessment (Attachment 1) developed by Administration over the past year. Preliminary results from the city-wide assessment utilizing quantitative data and qualitative interviews with community

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organizations across the affordable housing sector were presented to the Community and Public Services Committee on June 27, 2022 and the final report is attached to this report (Attachment 1).

The Housing Needs Assessment identifies 49,215 Edmonton households in Core Housing Need, roughly one in seven households based on 2016 Federal Census data. These households spend more than 30 per cent of their pre-tax income on housing, or live in housing in need of major repairs or without sufficient space for the number of residents, and would need to spend more than 30 per cent of their pre-tax income to find appropriate alternative housing in their community. In addition, one in four renter households in Edmonton – 33,320 in total – were found to be in core housing need. Renter households were two times more likely to be in core housing need than homeowners. The Housing Needs Assessment also highlights the relative housing needs experienced by particular population groups who face higher rates of core housing need. These thirteen priority population groups are identified by the Canada Mortgage and Housing Corporation and the Housing Assessment Resource Tools Team in alignment with Canada's *National Housing Strategy: A Place to Call Home*.

A significant shortage of housing is anticipated by 2026 unless action is taken to address a widening gap between supply and demand, which will disproportionately impact particular populations groups. According to Statistics Canada data, Edmonton is expected to have a total of 59,403 households in Core Housing Need by 2026 across all income thresholds; 40,311 households are projected to be renters. The vast majority of these rental households – approximately 39,425 – are projected to belong to the two lowest income categories, requiring rent levels of less than \$1,125 (adjusted for inflation). Approximately 2,950 of these renter households will belong to the lowest income category, requiring monthly rent at less than \$375 (adjusted for inflation).

The Housing Needs Assessment data indicates that affordable housing programs and policies should focus on renter households as they are proportionally the most likely households to be in Core Housing Need. The development of housing unit targets should recognize the diversity of housing needs based on household sizes to avoid creating imbalances in supply. It is important to focus on housing for both individuals and large families. One and two-bedroom units are most needed in very low and low-income categories, however large family units are most needed in low and moderate income categories. Households that include people with health and physical mobility challenges are, by far, the largest group. Therefore, affordable housing programs and policies should focus on creating housing units that are accessible for all. The majority of one-bedroom units should be in the very low and low-income categories. Multi-bedroom units are needed across all income categories, but the focus should be on the low and moderate categories, with additional focus on large family-oriented units.

In addition to the data analysis described above, Administration also engaged directly with service providers and contracted two external partners, EndPovertyEdmonton and InWithForward, between April and August of 2022 to engage with individuals with lived experience from the 13 priority population groups. The objective of these engagements was to supplement the data gaps in the initial phases of the Housing Needs Assessment and most importantly to better understand how housing need is experienced by individuals and families in Edmonton.

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The following describes the key themes that emerged from the lived experience engagements and how they are integrated into the Foundational Elements of the Updated Affordable Housing Strategy (Attachment 7).

- **Affordability:** The predominant issue faced by Edmonton residents in precarious housing situations is affordability, where households spend more than 30 per cent of their gross income on housing. All participants in the EndPovertyEdmonton-led engagement made references to being in low income or receiving social assistance support and the high cost of housing posing a serious challenge to affording or retaining housing in the long run. The majority of the participants engaged by InWithForward have identified money as the biggest stressor in their lives, followed by their housing situation.
  - Goal 1 and accompanying objectives in the foundational elements address affordability considerations.
- **Accessibility:** The Housing Needs Assessment analysis of households living in core housing need showed that the majority of households have at least one member with physical health or mobility challenges. Participants in both studies have indicated the limited availability of accessible housing in both the private rental market and affordable housing. Participants have indicated that long waitlists, onerous application processes and inability to navigate the housing market disconnects them from the system. The majority of participants also indicated that their desired home should be accessible and safe more than anything else.
  - Accessibility features as one of the key guiding principles in the foundational elements.
- **Discrimination:** Discrimination was the third top stressor identified in the InWithForward-led engagement and also showed up as the key barrier in the housing journeys of those engaged. Tenants may be discriminated against if they are Black, Indigenous or racialized; 2SLGBTQ+ (two-spirit, lesbian, gay, bisexual, transgender, queer/questioning, and plus); living on a low-income; single parents or guardians; newcomers and/or refugees; living with a disability, including a serious mental illness; in possession of a record of offenses, or for other reasons related to their identity and socioeconomic status. Participants have mentioned that discrimination felt prevalent among private market landlords as well as staff of affordable housing providers.
  - The updated guiding principles in the foundational elements consider affordable housing fundamental to human dignity and further commit to the principles of intersectionality and Reconciliation. Additionally, Goals 1 and 3 will help the City to encourage the diversification of supply to respond to various housing needs of priority populations to address structural racism and raise awareness of the need to ensure everyone has access to affordable housing.

The full reports of the lived experience ethnographic engagements are available in Attachments 2 and 3, respectively.

### Phase 2: Jurisdictional Scan



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A review of affordable housing strategies from other Canadian cities was completed between January and February 2022 (Attachment 4) and provided greater understanding of the scope of issues municipalities may address and specific programs and initiatives used by other jurisdictions. The scan results will also inform the updated Affordable Housing Strategy as well as Administration's planning for eventual implementation and evaluation work.

### Phase 3: Progress Update on 2016-2025 Affordable Housing Strategy

This phase, which took place between March and April 2022, involved internally assessing progress made on the goals of the 2016-2025 Affordable Housing Strategy in light of ongoing work, upcoming priorities, and anticipated opportunities or challenges. Engagement with multiple internal stakeholders was also conducted as part of the review.

A Progress Update (Attachment 5) was developed, summarizing the work completed thus far by the City. The City has made significant progress in its goals of increasing the supply of affordable housing in Edmonton through the development of the Affordable Housing Investment Program, which has exceeded its goals. The City continues to be active in providing eviction prevention information through the Tenant Support Services unit. The Progress Update highlights that the City needs to improve communication around affordable housing as well as ensure that City owned social housing units are maintained in a sustainable manner. This phase helped Administration further understand the opportunities and challenges of strategy implementation.

### Phase 4: Review of 2016-2025 Affordable Housing Strategy

Between May and June of 2022, Administration also invited partners and stakeholders in Edmonton's affordable housing sector to review the 2016-2025 Affordable Housing Strategy and the City's progress to date. Specifically, Phase 4 focused on assessing the effectiveness of the specific approaches established in the strategy to further the goals. The engagement used a two-step approach and involved an online questionnaire and optional follow-up conversations.

Administration received two types of inputs from participants: 1) responses and commentary on areas where the City had performed well; and 2) suggestions of actions missing from the 2016-2025 Strategy and that the City should consider. This feedback is summarized in greater detail in the enclosed What We Heard report (Attachment 6).

The feedback received from all internal and external stakeholders informed the creation of draft foundational elements for the Updated Affordable Housing Strategy (Attachment 7). The foundational elements include revised guiding principles, goals and objectives, and definitions of City's roles in the affordable housing ecosystem.

Administration has also accounted for the recommendations proposed as part of the Indigenous Affordable Housing Strategy project, completed in 2022 and presented to the Community and Public Services Committee on June 27, 2022. Further integration of those recommendations will occur during the development of the implementation plan for the Updated Affordable Housing Strategy.

### Phase 5: Review the Draft Foundational Elements of the Updated Affordable Housing Strategy

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In July 2022, Administration invited partners and stakeholders from Edmonton's affordable housing and social services sector for a second round of engagement to review the draft foundational elements. Administration received suggestions for clarifying or improving language and intent of updated guiding principles, goals, objectives, and the City's roles, which have helped to refine the foundational elements. Additional ideas received on potential strategies for the City's consideration have been included in the What We Heard report (Attachment 6). In addition to external stakeholders, other members of Administration were invited to undertake a high level review of the foundational elements.

In developing the foundational elements of the Updated Affordable Housing Strategy, Administration has completed an initial analysis of potential areas of alignment based on its review of the *National Housing Strategy: A Place to Call Home* and the *Stronger Foundations: Alberta's 10-year strategy to improve and expand affordable housing* published respectively in 2017 and 2021. A summary of this preliminary analysis is included in Attachment 8 and will inform engagement with other orders of governments planned in the final phase of the project.

### Future Work: Phase 6

The following summary of next steps comprise the activities that Administration will undertake for the final Phase 6:

- Undertake additional research to assess the feasibility of implementing actionable ideas generated by individuals with lived experience during the Housing Needs Assessment engagement and by external stakeholders during earlier phases of this project
- Update the Housing Needs Assessment with the custom data sets provided by Statistics Canada from the 2021 Federal Census, when they are released.
- Engage the public and other orders of government to invite their input and further refine the Updated Affordable Housing Strategy.
- Develop an implementation plan once the Updated Affordable Housing Strategy is finalized. The implementation plan will also integrate the recommendations from the Indigenous Affordable Housing Strategy project.
- Develop a monitoring and evaluation plan to track progress on the Updated Affordable Housing Strategy.
- Integrate and align opportunities across the Administration for collaboration to improve the efficiency and effectiveness of the Strategy's implementation.

Administration will continue to work towards completion of the Strategy with the activities planned for Phase 6 and will present the complete Updated Affordable Housing Strategy, including an implementation plan and a measurement framework, to City Council for approval in 2023.

## COMMUNITY INSIGHT

Stakeholder engagement has been an important component of updating the Affordable Housing Strategy. Between May and June of 2022, Administration invited partners and stakeholders in Edmonton's housing sector to review the 2016-2025 Affordable Housing Strategy. The goal was to assess the progress made on the 2016-2025 Affordable Housing Strategy and the effectiveness of the



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specific approaches established in the strategy. The engagement used a two step approach and involved an online questionnaire and optional follow-up in the form of a one-on-one conversation. In July 2022, Administration invited partners and stakeholders from Edmonton's housing and social services sector to review the draft Updated Affordable Housing Strategy - revised goals, objectives, guiding principles and roles for the City. The feedback collected from the engagement activities is summarized in the enclosed What We Heard report (Attachment 6).

In addition to the engagement activities undertaken to create the draft Updated Affordable Housing Strategy, Administration also relied on community and lived experience engagements undertaken to develop the Edmonton Affordable Housing Needs Assessment in 2022 (see Attachments 1, 2, and 3). Administration's planned actions in response to the Indigenous Affordable Housing Strategy Recommendations (June 27, 2022, Community Services CS00433) have also informed the creation of the draft Updated Affordable Housing Strategy. The Indigenous Affordable Housing Strategy Recommendations were created through robust engagement in collaboration with an Advisory Committee, Indigenous partners in Edmonton's housing and homelessness sector, representatives of Treaties and Nations, and Indigenous communities.

Additionally, Administration also thoroughly reviewed relevant past engagement insights, specifically the City Plan public engagement completed in 2018 and the engagement undertaken previously in support of the City's efforts related to addressing homelessness (see Attachment 6).

## GBA+

The foundational elements of the Updated Affordable Housing Strategy are informed by the recently completed Housing Needs Assessment. Edmonton's Housing Needs Assessment explored available quantitative and qualitative data to determine the overall need for affordable housing in Edmonton and how housing need disproportionately impacts different segments of Edmonton's population. Data that is disaggregated by gender, race, disability, age and other grounds can reveal patterns of structural inequality. Disaggregated data is an essential first step in redressing injustice. The population groups that were prioritized for this work were considered in order to understand the unique housing needs of each of the population groups, through a lens of inclusion and equity.

Additionally, particular population groups face higher rates of Core Housing Need, Canada Mortgage and Housing Corporation has identified twelve priority population groups for affordable housing in alignment with the National Housing Strategy. The Housing Assessment Resource Tools project added a 13th group: female-headed households and specifically single mothers. The 13 priority population groups considered for this Housing Needs Assessment are as follows:

- Women and children fleeing domestic violence
- Female heads of households, especially single mothers
- Seniors 65+
- Young adults aged 18-29
- Indigenous peoples
- Racialized people
- Recent immigrants, especially refugees

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- 2SLGBTQ+ (two-spirit, lesbian, gay, bisexual, transgender, queer/questioning, and plus)
- People with physical health or mobility challenges
- People with developmental disabilities
- People dealing with mental health and addictions issues
- Veterans
- People experiencing homelessness

When considering housing options, each priority population group will have different needs and considerations. Most people do not fall into a single category; it is important to recognize that intersectional identities of multiple individuals within households can influence housing needs.

Administration has engaged individuals with living and lived experience between May and August of 2022 as part of the housing needs assessment and the affordable housing strategy update projects. The insights have informed the draft Updated Affordable Housing Strategy. In creating the Updated Affordable Housing Strategy, the Administration will undertake additional jurisdictional scan, research and analysis to assess the feasibility of implementing actionable ideas suggested by participants (see Attachments 2 and 3) and include them in its implementation plan.

## **ATTACHMENTS**

1. Edmonton Affordable Housing Needs Assessment (August 2022)
2. From house to home to wellbeing: Expanding the opportunities for action (InWithForward)
3. Housing Needs Assessment - Lived Experience Engagement Report (EndPovertyEdmonton)
4. Jurisdictional Scan
5. City of Edmonton 2016-2025 Affordable Housing Strategy Progress Update
6. What We Heard Report
7. (Draft) Foundational Elements for the Updated Affordable Housing Strategy
8. Analysis of Inter-governmental Context