

UPDATED AFFORDABLE HOUSING STRATEGY

Recommendation

That Community and Public Services Committee recommend to City Council:
That the City of Edmonton Updated Affordable Housing Strategy (2023 - 2026), as outlined in Attachment 1 of the January 15, 2024, Community Services report CS01673, be approved.

Requested Action	Council decision required		
ConnectEdmonton's Guiding Principle	ConnectEdmonton Strategic Goals		
CONNECTED This unifies our work to achieve our strategic goals.	Healthy City		
City Plan Values	BELONG. LIVE.		
City Plan Big City Move(s)	Inclusive and compassionate	Relationship to Council's Strategic Priorities	Community safety and well-being
Corporate Business Plan	Transforming for the future		
Council Policy, Program or Project Relationships	<ul style="list-style-type: none"> Community Safety and Wellbeing Community Plan to Prevent and End Homelessness Update Zoning Bylaw Renewal 		
Related Council Discussions	<ul style="list-style-type: none"> CS01661 Edmonton's Plan to Prevent and End Homelessness - Lessons Learned, Community and Public Services Committee, October 30, 2023 CS01881 Enhanced Encampment and Unsheltered Homelessness Response Plan - Recommended Next Steps, Community and Public Services Committee, October 30, 2023 CS01492 Review of the Good Neighbour Plan, Community and Public Services Committee, November 1, 2023 CS01752 Indigenous Housing Grant Program - Fall 2023 Grant Award Recommendations, Community and Public Services Committee, November 1, 2023 CS01753 Affordable Housing Investment Program - Fall 2023 Grant Award, Community and Public Services Committee, November 1, 2023 CS01798 Indigenous-led Supportive Housing Projects, Executive Committee, November 1, 2023 Updated Edmonton Housing Needs Assessment - 2023, Community and 		

Executive Summary

- An updated Affordable Housing Strategy (Attachment 1) will guide Edmonton's efforts in eliminating homelessness and core housing need in Edmonton. The Strategy goals are:
 - Goal 1 - Edmontonians have access to affordable housing in all areas of the city.
 - Goal 2 - Edmontonians have the housing supports they need.
 - Goal 3 - Edmontonians have increased awareness of housing needs and the importance of affordable housing.
- The updated strategy is informed by City's 2023 Affordable Housing Needs Assessment (Attachment 4) and engagement with people with lived experience.
- The affordable housing need and homelessness challenge in Edmonton requires significant investments by all orders of government. To address this challenge, social and community owned affordable housing can provide sustainable solutions.
- Between 2019 and 2022, the City's \$133 million investment leveraged approximately \$564 million, including \$310 million from other orders of government and \$117 million in equity from housing providers to deliver 2,807 units (644 supportive housing units).
- An increased supply of housing will be supported by maximizing City investments and opportunities in priority growth areas such as transit nodes, creating a 10 year acquisition strategy, accelerating the development on City land and maintaining existing stock of affordable and social housing.

REPORT

On November 5, 2015, City Council approved the 2016-2025 Affordable Housing Strategy (CR_2713, City of Edmonton Affordable Housing Strategy), which included tools to create and maintain new and existing affordable housing units.

Affordable housing is housing that is subsidized in order to be affordable for its residents, with rents or payments below average market cost, and is targeted for long-term occupancy by households that earn less than the median income for their household size¹. To help non-profit affordable housing developers increase the supply of affordable housing, the City provides grant funding, below-market land sales and expedited permitting and development processes.

Approved by City Council on November 6, 2018 (CR_6252, Updated Affordable Housing Investment Plan), the Affordable Housing Investment Plan (AHIP) provided direction for the City's \$132.7 million of affordable housing investment. The funding was to be spent between 2019 and 2022, with target commitments of 2,500 new or renovated units. Construction should be completed within approximately four years of commitment with 600 of the 2,500 units delivered as supportive housing.

¹<https://www.cmhc-schl.gc.ca/professionals/industry-innovation-and-leadership/industry-expertise/affordable-housing/about-affordable-housing/affordable-housing-in-canada>

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Between 2019 and 2022, the City contributed \$133 million (\$105 million of the \$132.7 million AHIP investment and \$28 million from land contributions). This investment resulted in 2,807 new or renovated affordable housing units across Edmonton, including 644 supportive housing units. The City's investment leveraged a total of \$564 million in affordable housing investments, including \$310 million from other orders of government and \$117 million in equity from housing providers².

The gains in supply of affordable and supportive housing demonstrates the pivotal role the City can play as an early and reliable investor. The work completed between 2018 through 2022 confirmed that municipal leadership helps respond to resident needs, attracts investment and leverages government funds.

Despite recent successes, the impact of the COVID-19 pandemic, supply chain issues, inflation and interest rates continue to increase pressures and demand for affordable housing. These factors affect non-profit affordable housing providers' ability to expand and renew affordable housing. The City must consider the impacts of climate change and emissions associated with housing. Housing units will require energy-efficient retrofits and new units should consider climate resilience.

While the previous Strategy had a timeline ending in 2025, much has changed since its launch in 2016. In particular, the roles that the City plays in the affordable housing ecosystem have evolved, including more involvement in homelessness response and prevention, new funding opportunities for housing from the federal and provincial governments, an understanding of the intersection between housing and climate and updated city-building supports like the Zoning Bylaw Renewal. With continued impacts being felt from the COVID-19 pandemic, drug poisoning crisis, and challenging economic conditions, now is the ideal time to reevaluate and adjust the Strategy as it nears the end of its lifecycle.

Developing the Updated Affordable Housing Strategy

Scope and Alignment

The updated Strategy advances The City Plan which describes an inclusive and compassionate city where nobody is in core housing need and there is no chronic or episodic homelessness. The updated Strategy identifies effective strategies for reducing core housing need and increasing the supply of affordable housing. Core housing need is defined by Canada Mortgage and Housing Corporation as housing that falls below at least one of the defined standards of adequacy, affordability or suitability³. The definition also considers if household income levels are such that individuals could not afford alternative, suitable and adequate housing options in their community.

Recognizing the complex and dynamic wrap-around support necessary to end homelessness, the updated Strategy aligns to the upcoming Corporate Homelessness Plan and Updated Community

²<https://tableauopen.edmonton.ca/t/Production/views/AffordableHousing/AffordableHousinginEdmonton/68e93d38-cce7-4f32-8aca-c1c024a83714/32b4420d-4603-4da4-a833-44a825f5f69f>

³<https://www.cmhc-schl.gc.ca/professionals/housing-markets-data-and-research/housing-research/core-housing-need#:~:text=Core%20housing%20need%20determines%20if,considered%20unsuitable%2C%20inadequate%20or%20unaffordable.>

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Plan to Prevent and End Homelessness, the Community Safety and Well-Being Strategy and the Indigenous Affordable Housing Strategy.

Strategy Development Process

The updated Strategy was informed by comprehensive engagement, document reviews, a jurisdictional scan and the Affordable Housing Needs Assessment. Attachment 2 provides a detailed review of the development process.

Target Development

The updated Strategy provides targets for different types of operational and capital investments. Based on the overall gap of affordable housing in Edmonton and historical unit capital costs, approximately \$15.4 billion of investment is required by 2050. Of note, this estimate reflects intervention by all orders of government and housing providers. The following table reviews the total investment to address housing need.

Housing Type	Gap (Units)*	Average Capital Cost per Unit (\$000)	Total Cost (\$000,000)**	Assumptions
Emergency Shelter	650	\$166	\$108	Based on GoA estimates
Transitional Housing	189	\$300	\$57	Based on 2019-2020 average
Supportive Housing	1,700	\$380	\$646	Based on City funded projects average cost per unit
Rent Geared-Income	34,000	\$380	\$12,920	Based on a 3-4 bedroom unit average cost per unit
Near Market	5,700	\$300	\$1,710	Based on 2-bedroom unit funded through the 2019-2022 AHIP grant
Total	42,239		\$15,441	

*The Affordable Housing Needs Assessment projects that Edmonton will need 56,300 affordable housing units in the next decade to meet the demand of households in core housing need. Approximately 39,700 of this is for renter households, who tend to earn very low incomes and are more likely to be in core housing.

**Costing provided in 2023 dollars and will likely be impacted by changes in construction costs, inflation and interest rates and income levels over the period

The Updated Affordable Housing Strategy

The updated Strategy guides the City's efforts aligned to budget cycles and opportunities from other orders of government. The Strategy is flexible, practical, evidence-based and actionable. The updated Strategy includes clear roles and principles that will inform activities, decisions and implementation.

The Strategy has three key goals:

- Goal 1 - Edmontonians have access to affordable housing in all areas of the city
- Goal 2 - Edmontonians have the housing supports they need

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- Goal 3 - Edmontonians have increased awareness of housing needs and the importance of affordable housing

These goals ensure a whole-of-community focus on affordable housing supply in all areas of the community, including the necessary supports for people to be successful in their housing journeys. Accompanying the three goals are seven objectives that help narrow the focus of the City's work to reach the goals. The Strategy has medium-term targets that are achievable, such as the creation and maintenance of 2,700 affordable housing and social housing units by 2026. Long-term targets maintain the City's ambition and vision, such as 30,200 deep and shallow subsidy units by 2050. Additionally, the Strategy provides the comprehensive framework needed to maintain Edmonton's momentum and focus, while acting as the touchstone document that can guide the City over time when changes are needed to respond to emergent issues.

Key tactics which enable the City's agility include:

- significantly scaling up the capacity, speed and infrastructure of affordable housing development;
- diversifying the affordable housing supply to more effectively respond to the needs of priority populations;
- conserving and maintaining existing social and affordable housing stock;
- encouraging climate resilient affordable housing development;
- working with other orders of government in a more integrated, aligned and effective manner;
- aiding in the expansion of bridge / transitional and supportive housing programs;
- testing new solutions to improve tenants' experience, and reducing the risks of eviction and homelessness;
- improving cross sector planning and information sharing; and
- amplifying public awareness and understanding of affordable housing needs, insights and solutions.

In order to remain relevant and responsive, consistent and ongoing monitoring and evaluation will assess the City's performance and outputs and track trends in the housing ecosystem. A monitoring and evaluation framework provides a set of proposed indicators that are tied to each of the objectives. Public annual reporting will be published online. In 2026, the Strategy will be evaluated to ensure it continues to address Edmonton's opportunities and needs.

Budget/Financial Implications

The City has made important financial commitments to continue its momentum in the creation and maintenance of affordable and social housing units, as well as the development of supportive housing, surplus school sites, and land acquisition. Currently, \$97 million in operating funding and \$86 million in capital funding are approved for affordable housing development. This will advance the action items in the Updated Affordable Housing Strategy and help achieve the medium term targets.

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It is important to note that the City's approved funding of \$183 million has leveraged grants from other orders of government, allowing housing partners to develop and maintain more affordable housing units in Edmonton. Grants leveraged, to date, include:

- \$19.6 million National Housing Co-Investment funding for renewal,
- \$12.5 million federal Rapid Housing Initiative funding and
- \$4.0 million provincial Affordable Housing Partnership Program funding.

The City will have more opportunities to realize the medium and long term targets of the Updated Affordable Housing Strategy with future capital budget decisions. The approved capital funding will help carry the momentum of the work completed to date, further leverage funding from other orders of government and partners and reach the target of 2,700 new or renovated units by 2026. The City's reliable and consistent approach as the initial investment partner in affordable housing projects has proven effective at realizing increases in the supply of affordable housing.

Community Insight

According to a recent national survey by Leger⁴, 95 per cent of surveyed Canadians regard the increasing cost of rents and lack of affordable rental housing as a serious problem. A recent 2023 Service Satisfaction Survey conducted by the City shows that close to 87 per cent of Edmontonians think that the City should spend more or the same on affordable housing⁵.

Review of the 2016-2025 Affordable Housing Strategy

Between May and June 2022, Administration reviewed the 2016-2025 Affordable Housing Strategy. The review was done through a series of online questionnaires, one-on-one conversations and multi-stakeholder workshops.

Nineteen organizations and groups in Edmonton's housing sector participated and reaffirmed the significance of the Strategy goals. Participants generally agreed that increasing the supply of affordable housing (Goal 1) and maintaining the supply of affordable and market rental housing (Goal 2) are significant. Additionally, participants identified areas where the City could have performed better and suggested new objectives.

Review of the foundational elements of the Updated 2023-2026 Affordable Housing Strategy

In July 2022, feedback was requested on the City of Edmonton's online engagement space, Engaged Edmonton. Of the 66 organizations and groups from the housing and social sector invited, 24 provided suggestions to improve guiding principles, goals and objectives. Participants also commented on the City's role and additional ideas on actions for the City's consideration. Participants emphasized the importance of increased funding, increased partnerships and design diversification.

Public Engagement: Priorities For Affordable Housing

⁴https://legermarketing.wpenginepowered.com/wp-content/uploads/2023/08/Leger-X-CP_The-Housing-Crisis-in-Canada.pdf

⁵<https://www.edmonton.ca/sites/default/files/public-files/ServiceSatisfactionSurvey2023-ServiceReport.pdf?cb=1699385073>

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In August 2022, an Edmonton Insight Community survey received responses from 3,738 respondents. Survey findings indicate that respondents have a positive perception of affordable housing and want to see:

- Increased support services for people once housing has been obtained
- Increased affordable housing supply
- Increased homelessness prevention services

More detailed information from all engagement sessions and online questionnaires can be found in the What We Heard Report. To ensure a diverse range of feedback was heard, each round of engagement included periodic reminders using multiple approaches (such as email and phone) to encourage participation.

GBA+

Edmonton's Affordable Housing Needs Assessment incorporated both 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.

As determined by the Affordable Housing Needs Assessment, 13 population groups are overrepresented in core housing need. Both quantitative and qualitative research focused on increasing an understanding of the distinct housing needs of each priority population, which will help in developing strategies to provide homes that will meet the needs of all Edmontonians.

Homeward Trust's By Name List serves as a real-time record of all known individuals currently experiencing homelessness in Edmonton. As of December 15, 2023, there were 3,043 people on this list⁶. Of those people, 1,204 were either currently staying in a shelter or sleeping outdoors, with the remainder provisionally accommodated (this includes any accommodation which lacks security of tenure, such as couch surfing).

Despite making up only five per cent of Edmonton's overall population, more than 60 per cent of these individuals identify as Indigenous. Of the 3,043 individuals experiencing homelessness, 46 per cent identify as female. Real numbers of women experiencing homelessness are likely higher, as women are more likely to remain hidden when experiencing homelessness, since they are less likely to use shelters and services. As a result, women are often under-reported in homelessness counts.

Attachments

1. Affordable Housing Strategy 2023-2026
2. Updated Affordable Housing Strategy Development Process
3. Consolidated What We Heard Report

⁶ Data, Analytics & Reporting - Homeward Trust Edmonton: Ending Homelessness Data, Analytics & Reporting %. (2023, October 18). Homeward Trust Edmonton. <https://homewardtrust.ca/data-analytics-reporting/>

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4. Updated Edmonton Affordable Housing Needs Assessment