

Developing a Made-in-Edmonton Solution to Address Supportive Housing

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Introduction

The City is seeking a “made-in-Edmonton” solution to successfully house citizens experiencing homelessness, including the chronically homeless, in ways that support healthier lives and longer-term solutions.

As part of Made in Edmonton, the City undertook a Listening Mission with advocates, housing providers and leaders in development, construction, real estate and business over the Summer of 2020. Some of these leaders attended an information webinar on June 10, 2020. Following the webinar, over 50 interviews were held. (See [Appendix 1](#) for participant list.)

This report summarizes the results of those interviews. It brings to life the input from people throughout the community who are inspired to help the City of Edmonton achieve its goal of creating 900 supportive housing units by 2024.

The Problem

The City of Edmonton faces a critical homelessness situation. There are 1,920 people currently experiencing homelessness, of which 62 per cent are Indigenous. The vast majority of over 600 people living in outdoor encampments suffer a combination of physical, mental and addiction health needs. Once an individual becomes chronically homeless, it is incredibly challenging to get back into housing and stay housed.

Since 2009, housing and social agencies and the City of Edmonton have halved homelessness and housed over 9,300 Edmontonians, saving an estimated \$920 million in health and justice. However, further gains may be more difficult to achieve; the remaining population includes people suffering multiple issues of trauma, mental illness, and physical and developmental disabilities. These people experience chronic homelessness. They often self-medicate with alcohol or illicit drugs, which demonizes and demoralizes them further and increases the supports they require to be successfully housed.

According to Councillor Scott McKeen, *“These wounded folk cycle over and over through shelters, makeshift camps, the courts and hospitals, costing taxpayers a fortune. Thus, the time has come for a more sophisticated response: Proper housing and compassionate health care.”*

McKeen adds, *“We’ve chased our tail for too long. To help break the cycles of homelessness, civil society must break its own dysfunctional cycles. Expecting overworked police or underfunded social agencies to solve homelessness is not the answer.”*

City Council's Commitment

In June 2020, Edmonton City Council prioritized the building of supportive housing and set a goal to build 900 units by 2024. As part of this effort, the City has made an historic investment of \$132.7 million over the next four years, specifically prioritizing the construction of supportive housing.

"The City must make decisions that are courageous, both politically and administratively, and are best for the long term."

—Anonymous participant, Listening Mission

Part of the City's contribution will be land for the 900 required units, estimated at a cost of \$40 million. As part of this investment, Edmonton City Council recently voted in favour of providing four parcels of land to Homeward Trust to build supportive housing in Terrace Heights, King Edward Park, McArthur Industrial and Inglewood. The total number of 150 units represents a portion of the 900 housing units the city needs to build by 2024 as part of its goal to end chronic homelessness.

"This is an 'all over city' solution, not just in one neighbourhood."

—Councillor Michael Walters

The City plans to expedite development approvals and cut red tape to meet the urgent supportive housing needs. In the near-term, the focus is on finding bridge housing through purchasing or leasing hotels and motels, and developing the first four sites of 150 high-intensity units. Consultation with the four communities has commenced. Construction of these projects can begin in 2021 and would be move-in ready in 2022.

"By doing this, we're going to save our brothers, sisters, mothers and fathers. We're going to save lives. This is the right thing to do."

—Councillor Aaron Paquette

Listening Mission

The Listening Mission, commissioned by the City of Edmonton, took place on Treaty 6 land. This is a traditional and contemporary gathering place for Indigenous peoples, including the Cree, Blackfoot, Nakota Sioux, Haudenosaunee, Saulteaux, Métis, Inuit and many others, whose histories, languages and cultures shape the landscape of our city.

“This is a watershed moment in our history,” said one participant. *“We need to right our wrongs in our city.”* This report explains what was heard and learned, what has inspired us, and what has given us cause to pause and reflect.

The Listening Mission took place between July and September 2020. Over 50 interviews were conducted during this timeframe. Stories and opinions were openly shared. Comments were also received via email from individuals unable to commit to an interview due to schedule conflicts.

For the purposes of this report, “participant” is a term used to define individuals who took part in the Listening Mission. They come from various sectors, including property development and construction; real estate; finance and social finance; business and economics; housing providers and advocates; and interested citizens who participated in the City’s information webinar on June 10, 2020.

Interviews were conducted with the understanding that opinions expressed should be freely given with nothing held back. In exchange, participants were assured that quotes would remain anonymous. Within the body of this report, comments in quotation marks are verbatim statements by those being interviewed. Quotes attributed to an individual are from on-the-record sources. This report is an accurate reflection of what participants contributed. Whether these ideas are workable is beyond the scope of the Listening Mission.

The bulk of this report is segmented into key themes that were unearthed during the Listening Mission. For each theme, a section entitled, “What We Heard” provides a general overview of what was said in the interviews. In most cases this is followed by a “Digging Deeper” section which provides further elaboration.

During the initial planning of this Listening Mission, it became clear that what is happening in Calgary should be studied. Similarities and differences between the approaches to providing supportive housing in Edmonton and Calgary were explored. Some details from the Calgary interviews will be noted throughout this report, where appropriate. (See [Appendix 2](#) for more information on the Calgary experience.)

Laying the Groundwork

It will take a collective effort for the City to obtain its goal of creating 900 supportive housing units by 2024. The City needs allies. It needs innovative perspectives. It needs ideas for partnerships.

The purpose of the Listening Mission was to solicit ideas from the community, particularly businesses, on how the City can obtain its goal of creating 900 supportive housing units by 2024.

To kick off the Listening Mission, the City hosted a “Made-in-Edmonton Solution” information webinar on June 10, 2020. Over 70 participants joined the meeting. Invitees included leaders in development, construction, real estate and business. The webinar was introduced by His Worship, Mayor Don Iveson, and Councillor Scott McKeen.

The following presentations were made:

- **Why We Can’t Arrest Our Way Out of Problems...or Crime and Disorder Related to Homelessness**
Presenter: Dan Jones, Inspector, Edmonton Police Service and PhD Candidate at the University of Huddersfield in the United Kingdom
- **Myths about Homelessness and Addictions**
Presenter: Dr. Elaine Hyshka, Assistant Professor, Health Policy and Management, School of Public Health, University of Alberta and Scientific Director, Inner-city Health and Wellness Program, Royal Alexandra Hospital
- **The Philosophy and Successes at Ambrose Place**
Presenter: Dave Ward, Executive Director, Ambrose Place
(Ambrose Place uses ceremony and traditional Indigenous culture to provide supportive housing to its residents.)
- **City of Edmonton Affordable Housing Investment Plan (2019–2022)**
Presenter: Colton Kirsop, Project Manager, Project Development, Affordable Housing and Homelessness, City of Edmonton

At the end of the information webinar, Councillor Scott McKeen explained that, in its next step, the City would seek expert advice from invitees and others to probe questions, such as: Should the city renovate or build new? What financing models could be explored? Could we create a social impact bond? What type of partnerships could be explored? How do we build these supportive units more cheaply?

Executive Summary

How do we collectively work together to achieve the goal of creating 900 supportive housing units in Edmonton? Many participants communicated the need for a paradigm shift in how supportive housing is created. Some issues cannot be changed—but some can. Fear of change is a reality, but participants said now is the time for new conversations with all levels of government and the non-profit and business sectors. All participants agreed that now is the time to build.

During the interviews, several points were repeated: The private sector must be involved; only developers with a proven track record of successfully delivering construction projects on time and budget should be invited to build; and there should be a three-way partnership between developers/builders, social housing providers and the City/governments.

Participants emphasized the need to rethink the request for proposal (RFP) process on more than one occasion, as well as the need for greater transparency, trust and clearer expectations. A pre-qualification process was recommended to ensure that RFPs from the most qualified builders are selected. In addition, it was noted that an element of philanthropy should be included in the overall RFP process.

Participants provided many suggestions for financing the construction of the supportive housing units. Some of these suggestions have been used successfully in other jurisdictions. Developers and builders offered ideas to reduce costs by using similar designs for all four buildings, relaxing overly stringent building codes (although this is under Provincial Government jurisdiction), and speeding up the development process. The City could aid in speedy and less expensive construction by having a qualified manager solely devoted to supportive housing. In addition, the City should have inspectors involved early and often in the construction process.

It became evident that the need should drive the product. Where levels of required support for residents are lower, it could be more cost effective to renovate existing structures. However, the majority of those interviewed indicated that, in most cases, new builds would be required.

There was a desire to be part of the City's goal to be a leader in ending homelessness. Advocacy and education are integral to the success of achieving the goal. One significant conclusion from the interviews was that in addition to the Mayor and supportive City Councillors, the City needs a "champion" to lead advocacy and education efforts.

Ending homelessness will require a city and citizenry that finds it unacceptable to know that citizens are sleeping rough each night—a city filled with people who feel compelled to stand up and become

part of the sweeping change that could result in every citizen having a place to call home. And, as one participant said, *"Their home, not society's defined home."*

It cannot be overstated that it has been a challenging year for Alberta. In the midst of a lagging economy, COVID-19 has shaken the world and left devastation in its path. There is some hope amongst people interviewed that COVID-19 has taught us to take better care of each other, to pitch in, and to look out for our neighbours.

Todd Hirsch, author and Chief Economist of ATB Financial, suggested that social networks are as fundamental to a sound economy as financial wealth. He added that, hopefully, COVID-19 has taught everyone to take better care of each other and, specifically, watch out for neighbours who might not have social networks. The positive interaction of people in a society forms the foundation of the economy.

Key Theme: Supportive housing needs to be clearly defined.

What We Heard

During the Listening Mission, it was evident that some participants were commenting on “affordable housing”, rather than “supportive housing”. While this report focuses on supportive housing, some references to affordable housing have been included because many participants felt that the information could be applied to both types of accommodation.

Several participants expressed concern about the terminology used to describe housing for people experiencing homelessness. Should it be described as “permanent supportive housing”, or just supportive housing? Various groups commented that there seems to be confusion about how many “levels” of supportive housing exist and what they mean. Affordable housing plays into the mix, as well. One participant preferred the term “attainable housing”. The suggestion was that a standard definition for supportive housing should be used by all involved.

Digging Deeper

Throughout the Listening Mission, the term “permanent supportive” housing was used interchangeably with “supportive housing” by those interviewed. Some organizations refer to it as “permanent supportive housing”, while others use the term “supportive housing”.

According to some participants, there is some angst about the term “permanent” because it is an individual’s choice to decide when and how long they should stay in supportive housing. Therefore, throughout this report, the term “supportive housing” is used.

Various participants used the term “levels” to determine what type of support is required. Generally, “level 1” would be designated to individuals who require minimal assistance. A higher level indicates more support is needed. What was not clear to some participants was how many levels there are and what they mean. One participant did not support the identification of levels of supportive housing at all because it sounds institutional.

Homeward Trust is responsible for Edmonton’s efforts to prevent and end homelessness. It plays an integral role in the coordination of housing in Edmonton and implements homelessness strategies on behalf of all orders of government.

According to the Homeward Trust website, supportive housing is a home that provides continuous support to people who have experienced homelessness by combining “subsidized” housing with onsite health and social supports.

Wrap-around support is provided on site, based on an individual need. Supportive housing is not the same as affordable or subsidized housing. For one, it is more expensive, often due to the support staffing levels required. (Two staff members are sometimes required to support one tenant.)

“Supportive housing is expensive. I’m concerned that there will be different projects that aren’t really supportive housing, but rather, affordable housing.”

According to participants, no matter the terminology, a variety of levels of support within supportive housing is needed. The City describes the supportive housing ecosystem as:

- Bridge housing: Interim housing that is in the safety net category, with supports on site.
- Permanent supportive housing: A type of long-term affordable rental housing in the “housing with supports” category.
- Ecosystem gap: Shortage of 900 permanent supportive housing units in Edmonton.

Key Learnings

- Many acknowledge that the language used to describe supportive housing and subsequent acuity levels must be more clearly defined and broadly communicated to organizations that provide the continuum of housing.
- Consensus must be reached on the number of levels of support available and what they mean to ensure they are consistently used.
- Definitions should be discussed and agreed upon with the sector that provides housing, services and programs to the city’s homeless population.
- One size does not fit all; therefore, a variety of supportive housing levels is needed.

Key Theme: People experiencing homelessness need a voice in the process.

What We Heard

Those experiencing chronic homelessness need to be acknowledged and have a voice in determining what form supportive housing should take. Comments such as, *“We need to acknowledge we should not put a timeline on these folks,”* were heard throughout the Listening Mission. Several participants repeated the message that people who were experiencing homelessness should not fear that, once housed, there would be an expiry date on their period of residence. Participants also said that residents worry about longevity in a supportive housing model that does not help them with their trauma and substance abuse issues.

Another participant added that some people who experience homelessness have issues with the model offered by some traditional agencies, including those with a religious focus. This participant added that many who have experienced homelessness have reported intolerance to intoxication as a barrier to them accessing assistance from some agencies.

The term, supportive housing, means nothing to someone who was once homeless and now has a place to call home. *“Acuity levels are more for funders, based on money and resources required,”* said one participant. In an interview, another participant related how the impact of trauma on individuals is difficult to comprehend for the so-called “average” person. Trauma leads people to behaviours that are not life choices. To help them, the trauma inflicted on the individual, including the context, must be understood to provide the appropriate care and support they need.

“After living on the streets for over 20 years, eating out of dumpsters, and trying to avoid jailtime, a home is where you can place your head at night and not worry about being jumped or killed while sleeping. To have an address where I can receive mail and know it won’t be stolen relieves so much stress in my life.”

—Anonymous, Community Member

As two participants stated, the need for supportive housing has been front and centre this summer with the establishment of Camp Pekiwin, (and later the camps in Old Strathcona), which provides food and support services to upwards of 300 people a day and has an overnight capacity of 170 tents. The camp is occupying a piece of land in the Rosedale neighbourhood and, according to these participants, is an example of how more people today are empowered to use their voices.

One of these two participants felt that the camp was visibly upsetting the public's perception of homelessness and pushing the issue front and centre like never before. This participant expressed strong support for the Camp Pekiwin spokesperson. Participants felt this spokesperson clearly articulated issues, outlined suggestions for City administration and its partners to ponder and act on, and should be heard.

Key Learnings

- If we do not understand trauma, we will not succeed.
- Success is helping people with their behaviours and offering various harm reduction strategies.
- There should not be a time limit on given support.
- Do not assume that people who are experiencing homelessness are voiceless.
- A variety of models are needed. Diversity of response is important.

Key Theme: By reducing homelessness, crime rates and the business environment will improve.

What We Heard

During the interviews, there was consensus that homelessness leads to social disorder and increased crime. Several studies (citations on page 17 in the Digging Deeper section) have provided data to support this contention. Participants shared stories of how homelessness impacts their businesses and employees. Many cited increased security costs and fear amongst potential customers and employees of encounters with people experiencing homelessness.

In particular, many participants focused on issues in Downtown Edmonton. They described how mental health issues and trauma play a profound role in homelessness. One of the participants noted an example of positive contributions from businesses in Portland, Oregon. The Portland experience is worth examining.

Data from Ambrose Place in Edmonton reveals that housing people who are experiencing homelessness saves the Province money by reducing health care costs. Edmonton Police Service statistics show that crime rates are higher in regions where people who are experiencing homelessness tend to congregate.

Despite the obvious negatives posed by the issue of homelessness, the majority of participants believed that having a home is a basic human right. Most believed that people who are experiencing homelessness should be treated with dignity and that business has a role to play in ending it. Only one participant expressed skepticism about the City's plan to end homelessness and achieve its supportive housing goal.

Digging Deeper

1. Security costs

Currently, businesses deal with issues linked to homelessness. As one participant bluntly stated, *"If people are on the street, they are sleeping on lawns, defecating and urinating on properties, and breaking into garages."*

Another participant provided a pointed perspective about security costs. In this person's business, thousands of dollars are spent on security and clean-up, and they assessed the total annual security costs for all businesses in the core of the city to be in the millions of dollars.

Finding homes for people would reduce or eliminate these security costs. The participant believed most businesses would rather direct money to help pay for supportive housing, rather than security, but the current reality is that security costs must remain high.

2. Feeling unsafe

Another participant told his experience of touring a Toronto business owner, who was looking for Downtown office space in Edmonton, along 101 Street. In the short walk from EPCOR Tower to 102 Avenue, the potential deal was scuttled because of the number of homeless individuals encountered. This same participant relayed the story of a lawyer who could not leave their office because of a drug deal occurring right in front of the door. This person strongly believed these kinds of stories are too common.

3. Issues in the Downtown core

In the Downtown core of the city, the pedway system is rife with problems, according to several participants. It is not so much the people experiencing homelessness, themselves, causing problems, but the drug dealers and other unsavoury characters who prey on them, according to officials at City Centre Mall.

Many people experiencing homelessness who frequent the pedway system and City Centre Mall have serious addiction and mental health issues. Many have suffered significant trauma. In the case of City Centre Mall, this trauma has led to several suicides within the mall. Mall staff who discover the bodies are then traumatized, as well.

City Centre Mall partners with Boyle Street and the Bissell Centre, receiving their assistance in dealing with people experiencing homelessness within their property. The participants from City Centre Mall emphasized that their first response is always compassion.

City Centre Mall staff stated that they speak to people experiencing homelessness regularly and find that they respond well to being valued as human beings; just being conversed with gives them some sense of validation.

While there are obvious negative perceptions of people who are experiencing homelessness, what was much more common throughout the interviews was the firm belief that homelessness is a human rights issue. A common theme heard was that everyone deserves a home.

4. Crime and homelessness

Chronic homelessness is a powerful mediator of crime and is disproportionately experienced by people with mental disorders, according to several studies.^{1 2 3}

Statistics show that, when people who are experiencing homelessness are housed, crime drops. According to one participant, when people have a place to call home, they are transformed in a positive way. Statistics compiled by Alberta Health Services for Ambrose Place show few negatives for supportive housing, along with many positives, including an annual savings of \$7 million for the Alberta Government on health care, alone.

Many people experiencing homelessness frequent areas central to Edmonton and near the River Valley. This includes Downtown and Strathcona. Many of these neighbourhoods would be considered as desirable in Edmonton, but crime rates are higher than in many other communities—often considered high crime areas.

Statistics from the Edmonton Police Service show that, in a 60-day period during this Listening Mission, reported crime incidents were plentiful in Strathcona (125), Downtown (174) and Oliver (148). In comparison, 15 crime incidents were reported in Abbotsfield. Since Abbotsfield has many affordable housing units, this seems to support the link between housing and reduced crime rates.

5. Supportive roles for business: The Portland experience

During the interviews, one participant pointed out the success of the Central City Concern (CCC) in Portland, Oregon. This project demonstrated positive ways in which businesses can be involved in the homelessness issue.

The CCC was founded in 1979 to deal with issues in Portland's Old Town and Chinatown. At the time, there was a serious street inebriation problem. Early on, the focus was on alcohol recovery treatment. It soon grew to include affordable, safe housing, because those working for the CCC realized that safe housing was tremendously important to those in recovery and the neighbourhood at large.

¹ Michaels, D., Zoloth, S.R., Alcabes, P., Branslow, C.A. and Safyer, S. (1992) 'Homelessness and Indicators of Mental Illness Among Inmates in New York City's Correctional System', *Hospital and Community Psychiatry*, 43(2), pp. 150–155.

² Zapf P.A., Roesch R. and Hart S.D. (1996) 'An Examination of the Relationship of Homelessness to Mental Disorder, Criminal Behaviour, and Health Care in a Pretrial Jail Population', *The Canadian Journal of Psychiatry*, 41(7), pp. 435–440.

³ Fazel, S., Khosla, V., Doll, H. and Geddes, J. (2008) 'The Prevalence of Mental Disorders Among the Homeless in Western Countries: Systematic Review and Meta-regression Analysis'. *PLOS Medicine*, 5(12), e225.

Crack cocaine and heroin recovery programs were added. Businesses were asked to help by providing jobs for those in recovery. Businesses that joined in were supported and provided with information to help them understand the needs of those workers in harm reduction programs and to be flexible about time taken off work to attend addiction recovery sessions.

The CCC conducted a study on this employment program. Two groups of people were monitored: One in an employment program, one not. The employment program proved to be very successful. The most significant conclusion of the study was that employment seemed to be an effective addiction intervention. Although it might be a hard sell, the implication is that homelessness not only affects businesses in a problematic way; it can provide businesses with the opportunity to be part of the solution by helping people experiencing homelessness become self-sufficient again.

Key Learnings

- Getting people who are experiencing homelessness off the streets reduces crime.
- Reducing crime saves money, both in terms of policing, security and clean-up costs for businesses.
- Providing supportive housing is beneficial to the individuals and the community at large.
- Businesses can be part of the solution by providing employment opportunities, where possible.
- Employment can help people with addictions to recover.
- Opportunities exist to partner with businesses.
- Savings from security costs could be redirected to advocacy.

Key Theme: Innovative financial and funding models exist and could be used.

What We Heard

With the impact of COVID-19 and economic slowdown, the consensus amongst all participants was that now is the time to build the supportive housing units. *“Right now is absolutely the best time to deploy as many financial resources as possible to build as many units as we can,”* said one participant.

A variety of methods to finance construction were heard. Tax Incremental Financing (TIF) models were proposed by three participants even though TIF is prohibited in Alberta. One suggested investigating a Low-income Housing Tax Credit, which has been used in the United States. Several participants espoused Social Impact Bonds (SIB) and the Manager of Investments, Capital Markets Division, City of Toronto, was interviewed about Toronto’s experience with SIB.

One participant referred to the City of Denver’s longer-term experience with SIB. Information about that city’s experience was researched. As well, a participant from Calgary, with personal experience of a made-in-Alberta SIB, shared details.

Other participants relayed how community members in the McCauley neighbourhood formed an Investment Co-operative to successfully fund a development in a high-crime area. Another participant suggested setting up a Private Equity Fund, similar to one that their team orchestrated, which has the goal of raising \$350 million by 2025.

Several of those interviewed during the Listening Mission mentioned the Resolve Campaign, which occurred in Calgary. Although proud of the success of the campaign in raising millions to finance a variety of housing projects, one participant expressed reservations that such a campaign could work now. Several other participants had the opposite opinion and firmly stated that Edmontonians would enthusiastically back such a fundraising venture.

The Social Enterprise Fund (SEF) is an Alberta-based loan fund that lends money to social enterprises in Alberta. The SEF currently has money available to finance building supportive housing units, according to a participant heavily involved in this fund. The manager of this fund noted that, since the City of Edmonton is donating land for supportive housing construction, this would be a low-risk venture and the fund could be tapped for low-interest loans.

Another participant raised the issue that money must be generated to cover the costs of maintenance and support. It is not enough to build and continue to hope that funds will come in to keep the operation going. A careful plan involving ongoing revenue generation must be in place.

Whatever financing models are pursued, several of those interviewed insisted that a three-part partnership is required for success. No matter how we pay, build and maintain the supportive housing projects, private developers, non-profit social agencies and governments must be involved and work together to ensure the goal of housing people experiencing homelessness is achieved.

Digging Deeper

1. Now is the time to build

In the interviews conducted, it was clear that, despite the pandemic and current economic situation, participants feel that now is a very good time to build as many supportive housing units as possible. They felt that high unemployment would incentivize builders to lower construction and labour costs. Historically low interest rates reduce financing costs and a soft real estate market would allow acquisition of existing land or buildings at lower than usual costs.

2. Tax Incremental Financing

Reference was made by three of the 55 participants interviewed to Tax Incremental Financing (TIF). Although there are various iterations of TIF, what was proposed was that investors buy bonds to provide capital for required projects. A base amount of property tax revenue is recorded using the existing status of a community before improvements. As development occurs, property taxes will rise. The pre-determined base level continues to fund City services, while the extra tax generated due to improvements is used to pay bonds and reimburse the investors. Any excess tax revenues go to the City to be allocated for other needs.

3. Low-income Housing Tax Credit

One participant in the interview suggested investigating the Low-income Housing Tax Credit (LIHTC) program, initiated in the United States in 1986. This program was funded by the Federal Government and gave state and local LIHTC-allocating industries the equivalent of about \$8 billion annually to issue tax credits for acquisition, rehabilitation, or new construction of low-income rental housing.

An average of 1,400 projects and 106,400 units were completed annually between 1995 and 2018. If such an idea were to be pursued here, this participant noted that both the Provincial and Federal Governments would have to be on board. The City cannot initiate a plan such as this on its own.

4. Social Impact Bonds: The Toronto and Denver experiences

Social Impact Bonds (SIB) have been proposed, however, several of those interviewed were not in favour of this proposal. They felt they were too expensive to implement and unnecessarily complicated. The fear is that the return on investment, especially in the current economic situation, would not be enough to attract sufficient investors.

However, there is evidence to counter this hesitancy. Betsy Yeung, Manager of Investments, Capital Markets Division, City of Toronto, related how the City of Toronto established a Social Debenture Program last June. Its social bond offering of \$100 million was the first of its kind offered by any level of government in Canada. This program aligns with many of the City of Toronto's strategic priorities, including maintaining and creating affordable housing.

The framework was established in accordance with the International Capital Markets Association's (ICMA) 2018 Social Bond Principles. ICMA's social bond principals are widely considered an industry best practice. New guidelines were recently released. The bond will mature in 10 years, pay investors 1.602 per cent, and fund a variety of social initiatives, including social and affordable housing, infrastructure support, and essential services, such as emergency shelters. Despite the pandemic and economic situation, the bonds sold out in one day.

Yeung stated, *"Finance people must ensure that the 'social' people measure the impact of the program, so the investors will know their money is doing something."* Her firm belief was that investors will buy in if they know their investment is actually helping to achieve the goal. Based on conversations with participants, SIB could possibly work in Edmonton.

In June 2014, the City of Denver announced an SIB that was launched in 2016. The goal of this SIB was to fund the housing of people who were chronically homeless and frequent users of both health and emergency services, thereby saving tax dollars in the long run. Private and/or philanthropic lenders provided money and were repaid based on whether the goals were achieved.

In Denver, \$8.6 million was raised for supportive housing, with an additional \$15 million contributed by the Federal Government. Criteria were developed to measure successful outcomes for this supportive housing project. Only those individuals who were considered successfully helped would result in investor repayment. Investors bought in knowing that if the goals were not reached, part, or all, of their investment would not be repaid.

According to the City of Denver's November 2019 news release, between January 1, 2016, and December 31, 2018, 330 people were housed. After two years, only 39 had left for a variety of reasons, ranging from lease violations to incarceration. Four of these people later returned. Of the participants, 257 met the criteria for success, so payouts to investors for the first three success payments were \$188,000; \$837,000; and \$1.5 million. There was no investment return for the 73 people deemed not to have met the criteria for success.

Overall, the program was successful. Most who were housed remained off the streets. Because of the housing stability and support provided, incarceration rates dropped, and two-thirds of the residents were either employed or taking vocational training. The City of Denver will perform a final evaluation of the program in 2021.

5. Alberta Social Impact Bond

A participant, who was with the Calgary Homeless Foundation at the time, shared their experience with the Alberta Social Impact Bond (SIB). Between 2013 and 2015, ATB Financial, together with the Calgary Homeless Foundation, explored the creation of an Alberta SIB for supportive housing. The idea was that the Provincial Government would be "de-risked" through an innovative funding model. Private investors would contribute money. A contract would be signed with the government whereby, upon achievement of successful outcomes, the government would repay the investment, plus an extra percentage, to reward the investor for the risk taken.

The investor would see a return on investment by investing in the community in a way that the investor believes in. The government would see a cost savings even though it is paying out more money than was invested. Data at the time showed that the cost per person for someone experiencing homelessness is over \$100,000 per year due to repeated visits to emergency departments, accessing mental health support and incarceration. By keeping people off the streets, annual costs are reduced to \$25,000 per individual.

These savings are real and can readily be tracked by monitoring, for example, the decline in hospital visits and incarcerations. Under former Premier Dave Hancock, the government created a Social Innovation Fund to backstop the SIB. However, the SIB proposal was not continued under former Premier Jim Prentice.

In conversation with this participant, it was made clear that, if this idea is to be resurrected, care must be taken. The benefits of the bonds must be monetized. It is not enough to generate a return on investment; measurable benefits must be achieved in the goal of housing people experiencing homelessness. When investment is seen to work, there is greater chance of support in the community.

By working primarily with those needing a higher level of supportive housing, cost savings after they are housed are easily tracked. This participant cautioned that care must be taken, however, because the community at large might view the SIB as an example of privatization and profiting off homelessness. It was noted that there had to be a “champion” for this program; someone who could firmly, with conviction, communicate the benefits, while countering the negativity. Those within government must also be firmly committed to the SIB proposal.

6. Investment Co-operative: The Piazza

Community members in the McCauley neighbourhood worked with the Edmonton Community Development Company (ECDC) to create an Investment Co-operative. Their goal was to purchase a strip mall that was fraught with crime. The community decided to form an Opportunity Development Co-operative (i.e., a legal entity that can seek investments, including Retirement Savings Plans and Tax-free Savings Accounts). Ninety-one investors, including the ECDC, committed between \$5,000 and \$10,000. Within 20 days, they raised \$1.1 million.

According to one member of the ECDC, Investment Co-operatives are difficult to initiate and require internationally accredited accountants to monitor them and sign them off. Very few accountants have the requisite accreditation or willingness to do so. In addition, this ECDC member said that there are limitations on the number of investors in co-operatives and the amount that can be invested, and it will most likely not be enough to finance the supportive housing project.

7. Private Equity Fund

An interview was conducted with a representative from Qube Investment Management Inc. of Edmonton. It has created a Private Equity Fund targeting foundations, charities and philanthropic organizations. Its goal is to raise \$50 million by 2021 and \$350 million by 2025, with 10,000 units of affordable housing constructed in five Canadian cities, including Edmonton, by 2025.

This fund has been pitched to investors as a locked-in 10-year term offering 4 to 8 per cent annually with a potential compounded return of 60 to 150 per cent. Investors must be comfortable with locking in for this period, and there is obvious risk. This participant stated that investors did buy in, but most had significant liquidity and were not adverse to the risk. The question raised was whether the City could, or should, backstop such an equity fund. Is it legally permissible for the City?

8. Calgary Resolve Campaign

The Calgary Resolve Campaign (2012 to 2018) had a goal to raise \$120 million, but the collapse in oil prices stalled the total amount raised from the community at \$42 million. The goal was revised to \$90 million and, eventually, \$75 million was raised. This included 11 developers contributing \$1.4 million each. Each developer eventually built affordable and supportive housing throughout Calgary. Evan Siddall, Chief Executive Officer (CEO), Canada Mortgage and Housing Corporation (CMHC) was approached by the Chair of the Resolve Campaign and agreed to provide low-interest loans.

The Resolve Campaign Chair suggested that a campaign championed by dedicated people could achieve the 2024 goal of creating 900 supportive housing units. This participant hypothesized that a reasonable cost of a building was \$4 million, including land costs. If the City of Edmonton's contribution of land was worth \$800,000 and the CMHC contributed \$1.2 million in loans, the community would only need to raise \$2 million.

Two participants expressed concern that such a model would not be successful at this time in Edmonton. According to them, COVID-19, the state of the economy, and the dearth of large developers in Edmonton make something like the Resolve Campaign unlikely to succeed now. Contrary to these opinions, several other Edmonton based participants disagreed, saying there are many large developers in this city. They felt that the spirit of giving in Edmonton is strong and the opportunity for success is bolstered by the number of CEOs who live here. These CEOs and their employees see people without homes daily, so the feeling is that they would be very inclined to contribute financially and advocate for the project to provide supportive housing.

9. Social Enterprise Fund

The Social Enterprise Fund (SEF) is an Alberta-based fund that finances important public benefit missions. A participant associated with the SEF revealed that it uses debt financing in the form of loans issued at rates of 1 to 3 per cent above the prime lending rate, depending on the risk of the project. Money is currently available to support supportive housing and has been available for some time. One of the issues is that there has been a lack of coordination between various sources of revenue. An example was given of the construction of Parkdale Place. The organization building it had raised \$10 million. The SEF offered a \$5.5 million loan, then the Provincial Government stepped in with a \$14 million grant. This made most of the funds already in place redundant for the Parkdale project. That money is still available.

Because the City is supplying the land for the supportive housing units, the SEF sees this as a low-risk venture. The SEF would be prepared to fund the design, development and permitting stage up to the point where shovels are in the ground. At this point, other partners would take over the second stage, the actual construction.

10. Crowdfunding and philanthropy

Financial institutions could offer a combination of traditional financing at very favourable rates, augmented by a donation. Some businesses have a crowdsourcing platform, similar to the “Go Fund Me” approach.

11. The Triad Partnership

While several innovative ideas for financing were proposed, most who were interviewed stated that traditional financing methods should be preferred. The most common theme about financing revealed through the interviews was that a Triad Partnership, which involves social non-profit agencies, private developers and government, is critical.

The social non-profit agencies would clearly communicate their needs, while private developers with a proven track record would build the supportive housing units, the agencies would run them, and the government would help fund them.

The City would donate land, and the Federal Government would participate by facilitating low-interest loans through CMHC. It was strongly suggested that Mayor Iveson contact the CEO of CMHC, Evan Siddall, directly, to solicit these loans.

Key Learnings

- Now is the time to build; construction and labour costs are lower, and the need is immediate.
- Explore Tax Incremental Financing.
- Support for Social Impact Bonds was mixed, although at least one city has had positive results with them.
- Resurrecting the Alberta Social Impact Bond, proposed between 2013 and 2015, could be considered since cost savings to the Provincial Government are easily demonstrated.
- A “Resolve-type” campaign also had mixed support, but there are many who believe that the City of Edmonton’s strong history of volunteerism and public support could make this a viable option.
- Money is currently available from the Social Enterprise Fund to finance construction of supportive housing.
- There must be better coordination in disbursement of funds.
- The three-level partnership between private developers, social non-profit agencies and government is the most preferred framework for getting supportive housing built.

Key Theme: Ways to build units at a lower cost with a streamlined approval process should be explored.

What We Heard

Depending upon the needs of the tenants, there are two ways to go, according to many of those interviewed: Acquiring and refurbishing existing properties, or building new. The social non-profit agencies must define the needs of people who will be living in supportive housing. Some will require complex support while others will need minimal support. One participant said, *"Let the needs define the process, rather than the process defining the project."* Once the needs are defined, it will be clear what comes next. Where needs allow, acquire homes that exist; acquiring can be faster and cheaper than building. But where needs are more complex, new builds are necessary.

Several participants suggested converting surplus hotels or office buildings into supportive housing. One proposed buying unused work camp modular homes as a quick and effective way of housing those experiencing homelessness.

Most of those interviewed preferred the option of building new, but nearly all stated that only private developers with proven expertise should do the building. Two sets of participants, all involved with non-profit social agencies, suggested their agencies could do the builds themselves.

One team of participants suggested the City form its own construction company to do the builds and remove the need for a profit. But most countered that profits, though diminished due to financial breaks offered by the developers, would still incentivize construction efficiency. *"Once the City clearly communicates its needs, competent developers can get it done,"* said one participant.

During the construction process, several participants stressed that streamlining the design and approval process would save time and reduce costs. Knowledge gained should be shared amongst all involved.

Digging Deeper

1. Refurbishing office buildings or large hotels

For those who do not need much support, refurbishing could be economical. Downtown Edmonton currently has a 20 per cent vacancy rate for office buildings, which is likely to increase. According to one developer interviewed, these can be refurbished for \$270 per square foot. Buying and renovating at this cost is cheaper than building new. Leasing hotels or existing office buildings could be other economical options. The downside to office building conversions is that most are too large for the optimal size for supportive housing. As one participant explained, a 30-unit facility requires 15,000 square feet for the dwellings, plus additional space for hallways and common areas—about 18,750 square feet, in total. Most hotels and office buildings are in the 60,000 to 75,000 square foot range. Also, many are concentrated in, or near, Downtown and, ideally, supportive housing should be spread throughout the city, so hotel clusters in other city regions should be considered.

2. Repurposing motels or smaller hotels and revisit building codes

One participant made a compelling case that, for many in need of housing, their needs are simple. They are more comfortable with a smaller home. One room with a small kitchen, bed, television and bathroom is sufficient. To supply these units, the suggestion was to repurpose smaller, old hotels and motels. Building new costs between \$200,000 and \$275,000 per unit. By buying a motel, units can be acquired for \$50,000 to \$75,000. These can then be renovated for \$25,000. Private investors are best suited to do these conversions because they can do so less expensively.

The Province could aid in the process by relaxing building codes in a realistic way. According to this participant, current building codes increase costs, putting safe, affordable housing out of reach of many. By scaling back requirements while still maintaining safety, rents could be reduced to affordable levels for those in need. An example provided during this interview was allowing for smoke detectors in place of mandated sprinkler systems—still safe, but less expensive in the renovation process.

3. Using work camp modular homes

Another participant suggested buying redundant modular work camp homes from oil and gas companies, or the forestry industry. According to this participant, these can be purchased for 10 cents on the dollar, or about \$10,000 in total. They have comfortably housed thousands of employees across the province, so would be adequate for housing people experiencing homelessness. Periodically the needs of the City and the people needing homes would be assessed and, as needs, politics, economics, and demands change, these homes could be moved to adapt to the current situation. Investigation by the City has shown the costs are prohibitively higher than stated by the participant.

4. Building new and harnessing the profit motive

Most of those interviewed preferred the option of building new. As one person stated, *"By designing purposefully, you get exactly what you need, both for tenants and staff.... Plus, by designing and building something new, what was an empty lot or derelict building before demolition is now something attractive."* This reduces public relations problems with neighbours.

One group of participants, working as a team, proposed that the City create its own construction company solely dedicated to supportive housing. By removing the need for profit, savings of between 15 and 20 per cent could be achieved. Two social agencies offered the opinion that they and their non-profit construction divisions could do the builds. The majority interviewed emphatically stated that only private developers should construct, and some profit must be made. *"Private sector developers are the real estate experts,"* commented one participant. They can ensure optimal supplies, pricing and speed of construction, all of which keep costs down.

Speeding up the planning, designing, permitting and building process goes hand in hand with reducing the costs involved. The Triad Partnership of the private sector, government and public social enterprise was, once again, promoted repeatedly as a key component of getting supportive housing built quicker and at lower cost. Private developers would build, the CMHC, as a government department, would be tapped for advantageous full-time funding, non-profit enterprises would rent for a significant period of time, such as 40 years, then the building would be sold back to the developers for a small fee.

5. Use builders who have been pre-qualified

It was very clear from the many conversations that occurred that the supportive housing project should be implemented by builders with a proven track record. A key recommendation was that a pre-qualification process that quickly assesses potential builders be implemented. This would be based on the number of employees, experience with multi-unit construction, and integrated quality assurance, or quality control, for both designers and builders, including their contractors and sub-trades.

Once the builders have been screened, a mandatory RFP information session would clearly communicate who the tenants are and what their needs would be to any developers interested in responding to the RFP. The RFP could specify what the developer should include as part of their proposal and what they would be prepared to provide for free, or at a reduced cost. As one Edmonton developer stated, *"Everyone should take a haircut to get things done."*

The points awarded to the potential builders based on what they could "throw in" should be no more than 10 to 20 per cent of the total rating, according to another participant. The most important criterion should be the proven track record for quality construction, built on time and budget. This RFP process must be open and transparent. All pre-qualified developers should receive an RFP.

It was noted that there is a perception that the RFP process is not always fair. To quote one participant, *"Many builders are paranoid that they will not get a fair crack at the build if it's a City-led project."*

6. Simplifying the process speeds up the builds

Several of those interviewed suggested that, for new builds, one architect should be hired to design all buildings to save costs and keep the design as similar as possible. The CEO of HomeSpace Society in Calgary indicated that this was done in their builds. Their design was used repeatedly with minimal alterations and, therefore, approval was granted quickly. It was recommended by more than one participant that the electrical, mechanical, civil and structural consultants should be selected early on and that they should work on all construction projects. If more than one architect must be used, great care must be taken to preserve what has been learned.

Three of those interviewed suggested that a consortium of builders be created to construct the supportive housing units and, similar to the results of the Resolve Campaign, pool their resources and share knowledge gained in the building process.

In the case of the Resolve Campaign, the first build cost \$5.5 million. After learning how to do things more efficiently and sharing knowledge amongst the 11 builders, the final cost to build the same product was \$3.9 million. It is critical that lessons learned in construction are not lost.

Once selected, it was suggested that the architect(s) *"should not focus on architectural excellence, but on architectural relevance."* While still being attractive, the buildings must be designed to primarily ensure that function prevails.

The HomeSpace Society interview revealed some key functional requirements. Two floor drains per kitchen and bathroom were installed in their buildings because there were issues with flooding early on. Tenants would often forget to turn off taps. Reinforced drywall was used to minimize holes in walls. Vinyl plank flooring was chosen because sections of damaged flooring could be easily replaced. Stoves have the same automatic shut off systems as those used by patients with dementia.

With one architect designing all projected buildings, the similarity of all the structures should allow the City to have a single permitting process for them all—one approval for all structures instead of permit applications for each one. This would reduce costs and streamline the construction process.

Key Learnings

- For immediate short-term needs, consider leasing hotels and/or motels, and leasing or buying modular homes.
- Consider acquiring and renovating existing properties for individuals who need only minimal support.
- Where needs are more complex (i.e., supportive housing) build new structures to custom-fit the needs of tenants and support workers.
- Use only developers who have passed a pre-qualification process and received clear instruction from the City about what is needed.
- As much as possible, use a similar design for all buildings.
- Do not reinvent the wheel; use design and functionality from organizations with experience in supporting residents with complex needs.
- Many participants did not fully understand the limitations the City has and what is under the jurisdiction of the Province.

Key Theme: The City has an important administrative and policy role to play.

What We Heard

Participants expressed concern that approval and permitting processes can slow projects. Suggestions from participants to streamline the design and permitting process included devoting one City manager to supportive housing projects, City inspectors visiting early and often during construction, and changing zoning rules so supportive housing projects are pre-approved for any community.

Participants indicated that the City could assist in projects by providing tax certainty and much can be learned by studying successful projects already completed.

Digging Deeper

1. Red tape

“Red tape” emerged as an issue with many participants. One participant stated that there are agencies ready to start projects right now, but have been stymied by the City. The Jasper Place Wellness Centre has had plans in place for immediately building 36 of 320 proposed units. It has its own non-profit construction company that could build these units within six to eight weeks, according to one participant associated with the Centre. This project has been in planning for two years, but has not been granted final approval. The participant said, *“Permits that would be granted in days in Vancouver and Calgary have been held up for two years here in Edmonton.”*

Some of the developers interviewed had strong opinions of a different kind regarding the red tape issue. They believed that experienced developers with strong records of success (meaning those who build quality structures on time and budget) do not have problems with red tape. This is because their proposals are thoroughly planned and prepared, so the City does not need to ask for multiple revisions and resubmissions.

2. Permits and inspections

Another complaint from a participant was that, currently, any changes to a design that costs over \$5,000 needs a permit. As a result, overall, more permits are required, but no additional staff are working for the City to process these additional permits. Plus, it sometimes appears that City inspectors are not following the same playbook. The suggestion by several participants interviewed was that inspectors come out early in the process to provide guidance, not just at the end of a particular part of construction.

One participant in Edmonton suggested that the City have one development officer assigned only to supportive housing projects. According to the CEO of HomeSpace Society, this is the situation in Calgary. One city planner works only with affordable housing and supportive housing applications. The City expedites development permits for these builds. Approval in Calgary is granted in under three months.

The same participant also suggested the City get a manager involved early in the process. But it was cautioned that the manager must have the scope of experience necessary for managing supportive housing builds. In the experience of several participants, too often, the City assigns a manager to a project because this person is “next in line”, not the most experienced person for the job.

3. The City can speed things up when it wants to

Two participants interviewed proposed that the City develop a “high-speed highway” process for design and permitting. Even speeding up the process by one year would save a significant amount of money. Currently, it costs between \$25,000 and \$30,000 per unit for development and accompanying permit fees. If the City could reduce these fees to cost, obvious savings would accrue. These participants provided an example of how, in the past, the City has expedited processes. The conversion of Park Square in Downtown Edmonton from an empty office tower to residential units was expedited. The permitting process took six to eight weeks, instead of the usual six or more months.

One participant suggested that the City create a unique and separate process devoted solely to pitch, plan and develop supportive housing. However, care must be taken if such a dedicated process is adopted to avoid creating ghettos in the pursuit of supportive housing.

The City should be more bold and think “yes” first, rather than seeing issues as a barrier and problems to be solved, according to one participant. The participant also mentioned that there are some incredibly dedicated people who move mountains and try to remove barriers.

4. Tax certainty and tax breaks

The City can also reduce costs by ensuring taxes are maintained at a predictable level. Tax Incremental Financing ideas could be implemented. Taxes would be based on the rent that tenants pay, rather than on the value of the unit or building. Taxes are increased at a proportional rate relative to rent increases and are predictable for the full term of the agreement between the developer and the non-profit operators. This avoids major tax increases that lead to serious rent increases. This occurred with “Baker South”, a Procura project. Envisioned as attainable housing with proposed annual taxes of \$700 per unit, the City reassessed it at \$1,100 to \$1,200 per year. What was planned as affordable housing suddenly was not. Part of the City's role should be to avoid tax “shocks” in developing supportive housing.

All developers interviewed were willing to help the supportive housing project and all would advocate for its implementation. Of course, given that they run businesses, many were looking for advertising opportunities or tax breaks in exchange for providing services at lower costs for the project.

One participant stated that, if the City is asking for assistance from businesses for supportive housing, it should be prepared to be more helpful in-kind when these same businesses are seeking assistance in getting their own projects off the ground.

5. Zoning, restrictions and incentivization

The City should consider rezoning all communities so that supportive housing is integrated into any future planning, according to another participant. Further to that, their suggestion was that, eventually, all communities would be rezoned, so supportive housing could be approved.

Incentives should be provided to developers and need not be overtly financial, stated one participant. By relaxing some restrictions, thereby reducing costs, developers can get the biggest "bang for the buck" and will be more likely to contribute to, or subsidize, supportive housing. The most common example provided of restriction relaxation was the reduction or complete elimination of required parking spaces.

This participant touted the YWCA St. George's project in the City of North Vancouver as an example of how relaxation of requirements incentivized a developer to include affordable housing. In return for providing 14 units of affordable housing, height restrictions, offsets from the street and parking requirements were relaxed. This reduced the cost to the builder. This same thinking could apply to supportive housing.

In the St. George's project, Chard Development Inc. provided 14 two- and three-bedroom housing units. Run by the YWCA, these units are located on the third and fourth floors of the 22-storey building and include an outdoor space and amenity room for the exclusive use of residents. Residents also have access to YWCA resources, such as childcare, legal education and employment services. By having this partnership and incentivizing the developer, the actual cost of these units was quite low.

6. Study what has been done well in Edmonton

This same participant suggested examining community models that have worked in Edmonton. This participant provided the example of the Westmount Presbyterian New Church (multi-function building) and the Social Housing Development Partnership in North Glenora with the Right at Home Housing Society. (Right at Home was formerly known as The Internet Housing Society, an offshoot of the Edmonton Inner City Housing Society.) The church donated the land, while the North Glenora Community League set up a committee and held several neighbourhood information meetings. The Mennonite Society for Immigrants and Refugees, which assists newcomers to Canada (who are the tenants), is the co-user of the new church multi-function building. All in all, it is a partnership worth studying.

Key Learnings

- The City should design the “high-speed highway” process for permitting and approval.
- An experienced City manager should be involved early in the process.
- Experienced City inspectors should be involved early in the process.
- Use a similar design, created by one architect, for all supportive housing units around the city.

Key Theme: Look for new partnerships.

What We Heard

A common theme heard throughout the Listening Mission was that there should be a three-way partnership involving government, non-profits and the private sector. All stated that an element of philanthropy was required.

According to the City of Edmonton, 62 per cent of people who are experiencing homelessness are Indigenous, so NiGiNan Housing Ventures, which built Ambrose Place, would like to lead the construction of at least one of the four initially proposed buildings.

One of the participants suggested partnering with the Métis Nation of Alberta (MNA), which currently has 900 affordable housing starts in Alberta. By partnering with MNA (and Ambrose Place), the suggestion was that the Federal Government would be more likely to contribute funds to the supportive housing project as part of its commitment to reconciliation with Indigenous peoples.

This same participant expressed what constitutes a good partnership with the City, based on their experience with the construction of Rogers Place. Trust is important within the partnership. By being good partners, the public-private relationship can achieve things that could not be done by either partner independently. Private developers can identify opportunities and pivot quickly to gain advantage. The City must be transparent and appear fair. Private partners take on risks and the City and Council can take on the flack for problems encountered as projects are being built.

This participant provided practical examples of how this partnership saved money. Out of only three arenas built in North America at the time, Rogers Place was built the most efficiently with significant cost savings. In fact, Rogers Place was built for \$17 million less than the arena in Las Vegas while providing 1.56 times the space. During construction, deals were made with private construction companies that saved millions. They were not constrained by the City's procurement process. As the arena was built, money was saved in creative ways. For example, the loading dock of Rogers Place shares its floor with the ceiling of a privately-owned underground parkade, and its ceiling with the floor of a privately-owned casino. These resulted in shared costs.

The Rogers team worked in full partnership with the City and there were two levels of appeal in the event of a disagreement. There was never any need to use these as consensus was found on every issue. Trust and commitment to equal partnership were key.

Key Learnings

- In light of the large percentage of people experiencing homelessness who are Indigenous, a partnership with Ambrose Place could be considered.
- Explore federal funding for supportive housing in partnership with the Métis Nation of Alberta or any other Indigenous housing organization.
- Openness, transparency and fairness are key to effective partnerships.
- Learn from previous successful private-public partnerships that had successful outcomes.

Key Theme: We need community champions.

What We heard

According to participants, several City leaders, including Mayor Iveson and Councillors McKeen and Walters, and City staff have shown profound commitment to ending homelessness. However, it was clear from the interviews conducted that many participants believed that the community should also be involved in the City's goal to provide supportive housing. It was suggested that one person from the community should act as a champion, in collaboration with the City, to inspire others to get on board.

Other champions would have to come from a group comprised of representatives from business, the City, builders and non-profit service providers. Together, they would make things happen—not at once, but in “bite-sized” chunks.

Advocacy is very important and many of those interviewed stated they would advocate for supportive housing. Educating communities about the need for supportive housing is extremely important, as well, according to the participants, and is a very challenging endeavor. NIMBYism is prevalent. The participants overwhelmingly stated that open and honest consultation is critical, and people with the knowledge, drive and fervour to absolutely communicate the need for supportive housing must be at the forefront. There is a role for the media in this communication.

Digging Deeper

1. We need a community champion

The fact that over 50 interviews occurred reveals that there is support for the supportive housing initiative. Only one participant expressed skepticism, and even they were supportive, in principle, of getting people off the streets and into homes. For a variety of social and economic reasons, support is there, and people want to help.

As two participants stated, *"What you need is a [community] champion to lead the effort and get other champions on board."* Recognize that no matter the funding model used to finance the supportive housing project, philanthropy will have to be involved. The community champion must be prepared to convince individuals and businesses to contribute money.

To facilitate finding that community champion, one participant suggested that the City have a brainstorming session to determine who should be invited to the table. The question, *"Who do we know that would be interested in this project and has influence?"* should be kept in mind. It is important, through discussion, to settle on a group of people with a common goal.

2. City Centre Mall will advocate

City Centre Mall, as an organization, would gladly participate in an advocacy campaign. As mentioned in another section of this report, there are compelling reasons to be involved. City Centre Mall is open to working with any charitable organization to develop fundraising opportunities within the walls of the mall. The Mall will also take part and facilitate any educational and advocacy programs within their property and be ambassadors for the cause of ending homelessness.

3. How do we educate the communities?

Education must go hand-in-hand with advocacy. Most of those interviewed stressed the need for an education campaign to show the public the benefits of backing supportive housing.

NIMBYism is prevalent everywhere, so the public must be educated. One participant with experience in public consultation shared that, even when support is as strong as 80 per cent in favour, it is often the negative 20 per cent that is most vocal enough to reverse the tide of support. It is relatively easy to show that having people off the streets makes neighbourhoods look less threatening and that crime rates drop. It is easy for all to understand that having a visible and sizeable homeless population in an area is bad for business and makes an area less desirable for pedestrian traffic.

According to one participant, statistics from the Remand Center show that up to 80 per cent of those incarcerated in that facility were in for petty crimes due to homelessness. The public will understand this, and most will agree that housing people experiencing homelessness is a laudable goal.

4. How does the City consult effectively?

"When consulting with communities about putting supportive housing in their neighbourhoods, begin with the question, how do we want to help people experiencing homelessness in our neighbourhood?"

Consultation must be open, honest and involve more than one session. Let the communities know from the outset what is proposed. But, as suggested by one participant with plenty of experience consulting with communities on projects, *"Do not reveal the proposed design in the first session."* In their opinion, this presents the impression that the whole process is a foregone conclusion and creates resentment and resistance amongst the community. As the consultation proceeds, reveal the proposed designs in later sessions.

It was suggested to be careful with terminology and to avoid terms, like "levels 1 through 4 supportive housing", or anything that creates the impression of a clinical facility. One participant suggested the term "supportive homes"—a subtle difference, but perhaps effective.

Homeward Trust provided the example of a citizens' group in McCauley that appealed an application by the Schizophrenia Society of Alberta to build a supportive housing unit. These citizens feared a large clinical facility would be built in their neighbourhood. Their fears were stoked by the language used by the presenters which did, indeed, create the impression of something closer to a hospital, rather than supportive housing. This group won a decision from the Court of Queen's Bench and the project was blocked. In its consultation, the proponents of Ambrose Place used different language and were able to convince the community that it would be a useful addition to the neighbourhood.

One participant congratulated the City on its skill in getting pre-determined outcomes through consultation. This participant suggested a different tactic for the upcoming community consultations:

"I think it's really important in these processes, these public forums, that you have experts, people that can really make the point solidly and really nail it—absolutely nail it to the wall about why this is not against your interests ... have experts there saying we absolutely know what we're talking about on homelessness, it absolutely is in your interest to have these people housed, it absolutely will reduce crime, it's absolutely a positive thing for your neighbourhood, rather than the typical City process ... where the reality is they've already made up their minds and they haven't really gotten into why this is substantively a good idea."

In Calgary, HomeSpace Society has followed a procedure that has resulted in only one challenge from the public about the 12 buildings for supportive housing they currently own. Their first contact was with local politicians. Then they conducted door-to-door contacts within a four-block radius of the building site, followed by a mail-out within a two kilometre radius of the site. Next, open houses were held. Throughout this consultation, the key message was that the people being helped were already in the neighbourhood; they would no longer be on the streets, but within shelter, a far better scenario for everyone in the neighbourhood. In the experience of HomeSpace Society, people saw the logic of this and became supportive.

As several participants said, this is a human rights issue, and many of the people experiencing homelessness are not much different than us; just victims of bad circumstances."

"We have to erase misconceptions that exist about ending homelessness...it's not a hand-out, but a hand-up."

5. The media has a role

Media could play a vital role in advocacy efforts. One participant said that it is important to dispel myths. What is true, or not? Do they really want to be housed? How many citizens are experiencing homelessness? Why are they homeless to begin with? What happened to the millions of dollars already invested to support homelessness?

Storytelling, done right, can make a profound difference, according to this participant. Frankly, there is an uncomfortable fear of people who are experiencing homelessness. According to this participant, most people do not have the knowledge and facts to be real advocates. They see bite-sized pieces of news coverage. Often, this coverage causes fear and angst. This participant suggested having people with lived experiences of homelessness share their stories.

By enlisting the media, in-depth examination of why supportive housing is both necessary and beneficial could be presented to the community at large. The goal would be to turn as many citizens as possible into advocates and champions of supportive housing.

Key Learnings

- Assemble a consortium of private businesses, the City, builders and non-profit service providers.
- Pick a leader—a community champion—to support the City.
- Philanthropy must be a component of the financing.
- Have several open and honest consultation sessions with communities.
- Use experts from the information webinar to help tell the story.
- Avoid clinical terminology in community consultations.
- Educate the communities about who they will be helping and what change will occur.
- Build advocacy from the ground up.
- Profile people with lived experiences and allow them to dispel myths.
- Engage communities and ask them how they can become advocates.
- Encourage more open and transparent communication.
- Study successes achieved by the Calgary HomeSpace Society.

Key Recommendations from the Listening Mission

Partnership

- Assemble a consortium of private businesses, builders, social non-profit agencies and the City to develop the strategy.
- From the consortium, pick the “champion” who will spearhead the drive to the goal of completed supportive housing units.
- A three-level partnership between private developers, social non-profit agencies and government is the most preferred framework for getting supportive housing built.
- Investigate partnerships with the Métis Nation of Alberta and Ambrose Place.

Advocacy

- Standard language should be used to describe supportive housing.
- The “champion” must lead and inspire.
- Highlight the economic benefits and reduction in crime to communities.
- Build advocacy from the ground up.
- Use experts to dispel myths.
- Highlight stories of people with lived experiences.
- Avoid terminology that is too clinical in nature in consultation sessions.
- Clearly communicate how it is in every community’s best economic and social interests to have supportive housing.

Finance

- There are a variety of financing models that could be investigated, like Social Impact Bonds and Investment Co-ops.
- Resurrecting the Alberta Social Impact Bond, proposed between 2013 and 2015, could be considered since cost savings to the Provincial Government can be demonstrated.
- Traditional finance models—with land donated by the City, Canada Mortgage and Housing Corporation loans at attractive rates, philanthropic donations from the community, and government financial support—are preferred by most.
- The Social Enterprise Fund has funds available to finance some supportive housing.
- Learn from success stories in other cities.
- Ensure better coordination of fund allocation.

Build

- Renovate existing structures or use motels and hotels for short-term, immediate bridge housing only.
- For supportive housing, build new to custom-fit the needs of the tenants and support workers.
- Create a unique and separate process devoted solely to pitch, plan and develop supportive housing.
- Now is the time to build because unemployment is high and workers are available, the real estate market is soft, and interest rates for borrowing are at record lows.
- Use only developers who have passed a pre-qualification process and have received clear instructions about what is needed.
- Have a dedicated City manager involved early in the process.
- Have experienced and dedicated City inspectors involved early in the process.
- Use a similar design, designed by one architect, for units around the city to reduce costs.
- Have one approval process for all the builds.

Conclusion

The intent of this report was to seek guidance on whether the city should renovate or build new; what financing models could be explored; what types of partnerships could be explored; and how to build supportive housing units more cheaply.

Participants believed it takes relentless focus by everyone to solve homelessness. Continuous, authentic feedback and opportunities are needed to reflect, learn, share, apply and enhance the notion of achieving the goal of ending homelessness.

According to all participants, the bold goal of creating 900 supportive housing units by 2024 is no small feat and will take courage and grit to accomplish, especially in these uncertain times.

According to Armine Yalnizyan, Canadian Economist and Atkinson Foundation Fellow on the Future of Workers, decades of research and documentation provides ample evidence on the robust returns on investment on supportive housing, proving “Housing First” policies literally pay for themselves. This should be good news for taxpayers.

Yalnizyan added that, while it may seem counter-intuitive to provide homes for people first, rather than putting the priority on solving their health issues, it makes human and financial sense. Less money is spent on people by ensuring adequate access to supportive housing, rather than having the emergency, security, justice and health care services do the heavy lifting. People inevitably consume more of such costly and labour-intensive services when they do not have housing, mental health and/or addiction supports up front.

“If the pandemic has done anything to change the way we think about things, it's made public health frameworks much more resonant with a broader audience. It's what your grandma told you: An ounce of prevention is worth a pound of cure.”

*—Armine Yalnizyan, Canadian Economist and
Atkinson Foundation Fellow on the Future of Workers*

*“We need a city where everyone matters and feels safe and respected for who they are.
We need systemic change to be like a tidal wave hitting the city.”*

—Councillor Scott McKeen

Appendix 1: List of Participants

(Note: * indicates participant was interviewed more than once.)

Erick Ambtman	Sean Kirk
Michael Baker	Bonnie Kroeker
Bruce Bentley	Bernadette Majdell
Jane Bisbee*	Susan Mancini
Robert Black	Cam McDonald
Ryan Brown	Susan McGee
Jim Brown	Kevin McKee*
Pam Brown	Elsbeth Mehrer
Jeff Bryson	Reza Nasseri
Jarrett Campbell	Alan Norris*
John Clarke	Gerrad Oishi
Sandra Clarkson	Jasmine Patrick
Susan Coward	Anand Pye*
Carola Cunningham	Jordan Reiniger
John Day*	Steve Sande
Tyler Duggan	Mike Saunders
Joshua Evans	George Schluessel
Liane Faulder	Zahra Somani
Randy Ferguson	Murray Soroka
Robert Foo	Gary St. Amand
Martin Garber Conrad	Hank van Weelden
Karen Gingras	Laurene Viarobo
Jordan Harrison Bowker	Dave Ward
Adil Hasan	Percy Woods
Todd Hirsch	Randy Wyton
Susan Holdsworth	Armine Yalnizyan
Mark Holmgren	Betsy Yeung
Steve Hughes	

Appendix 2: Supportive Housing in Calgary

To learn how the City of Calgary has been handling supportive housing, meetings were conducted with individuals from the Calgary Drop-in and Rehab Centre Society, Calgary HomeSpace Society, Calgary Habitat for Humanity and the City of Calgary.

What We Heard

In Calgary, the HomeSpace Society oversees 12 buildings dedicated to supportive housing. The 13th building will be completed in the Fall of 2020. The buildings average between 23 and 30 units, with the newest building to provide 38 units. HomeSpace Society was formed as an offshoot of the Calgary Homeless Foundation after it was decided that the Foundation would not own any assets.

HomeSpace Society focuses on housing vulnerable people with complex issues who are experiencing homelessness. The Chief Operating Officer of HomeSpace Society stated that their organization is a non-profit real estate company. It does not provide support once built. A variety of non-profits oversee the day-to-day functions of the homes.

In the interview with a participant from Calgary, it was stated that the City has a broad housing plan for affordable housing, differing from the City of Edmonton's more focused plan. Calgary invites agencies to get involved and, every two years, sells off surplus land at below book value for affordable housing. The participant from HomeSpace Society provided a specific example where land worth \$4 million in the market was purchased for \$500,000. It was made clear through this interview that the City of Calgary's main role is to offer land.

One participant added that Mayor Nenshi's immediate goal is to house 600 people experiencing homelessness in this time of COVID-19. The long-term goal for the City beyond COVID-19, according to this participant, is 15,000 affordable and supportive housing units built within the next decade.

Federal Government funding opportunities exist through the National Housing Strategy's Co-investment Fund, which is administered by the CMHC. The Honourable Ahmed Hussen, Minister of Families, Children and Social Development, in discussion with this participant, confirmed funds are available, so long as the Provincial Government contributed funds, as well.

However, after this participant met with the Honourable Josephine Pon, the Minister of Seniors and Housing for the Provincial Government, it was made clear that all capital funds from the province have already been allocated; therefore, these federal monies are likely to be left on the table. Because of this, Mayor Nenshi is advocating for the Provincial Government to work more closely with the Federal Government.

A Calgary participant noted that the continuum of supportive housing should be reviewed because there seems to be limited monitoring of individuals once they are placed in supportive housing. The concern was that little was being done to encourage residents in supportive housing to aim to improve their situation so they could move into the next level of housing. By moving to a level requiring less support, space would be created for those needing more assistance. In the words of this participant, *"Sometimes it's too much like a 'set it and forget it' system."*

This same participant referred to the Affordable Housing Review Panel, convened by the Provincial Government. During this discussion, this participant referenced 26,700 available surplus units the province could transfer to housing providers for affordable and supportive housing. However, this participant added, refurbishing and maintenance costs would be downloaded to the providers.

The City of Calgary's COVID-19 Community Affordable Housing Advocacy Plan details how they plan to manage the need for supportive and affordable housing during the pandemic and the current energy sector recession.

Key Learnings:

- Calgary has a broader approach to affordable and supportive housing than Edmonton.
- Calgary's immediate goal is in response to COVID-19.
- Calgary sells land for supportive housing at, or below, book value every two years.
- The Federal Government has funding available for housing, provided that the Province contributes.
- The Province has confirmed it has no funding to contribute at this time.