

Edmonton facts

Feb. 2000 Edmonton Social Planning Council

Rising rents are squeezing families out of their homes
by Terese Brasen

Squeezed Out

The Bennetts received the eviction notice last November. "We got two loads out," says Lawson Bennett, a large man in his forties. "We had to leave another two loads, and they ended up throwing them in the garbage. Our freezer, all the kids toys, all the beds. All we pulled out was the mattresses."

Lawson's wife, Dianne, sits quietly, pulling lint from her navy blazer. Since the eviction, the family has been living in northeast Edmonton motels.

"We can't find anyone who will rent to us," says Lawson.

On November 17, while the Bennetts were pulling their belongings out of their apartment, the Edmonton Homelessness Count Committee was conducting its second annual homeless count. The Committee counted 1,114 homeless persons within the City of Edmonton. Of those, 503 were living in emergency accommodation, while 611 were "absolute homeless," with no place to stay.

The committee counted 64 homeless families. In total, 111 children under 15 were homeless. That number probably didn't include the three Bennett children. They were just becoming homeless.

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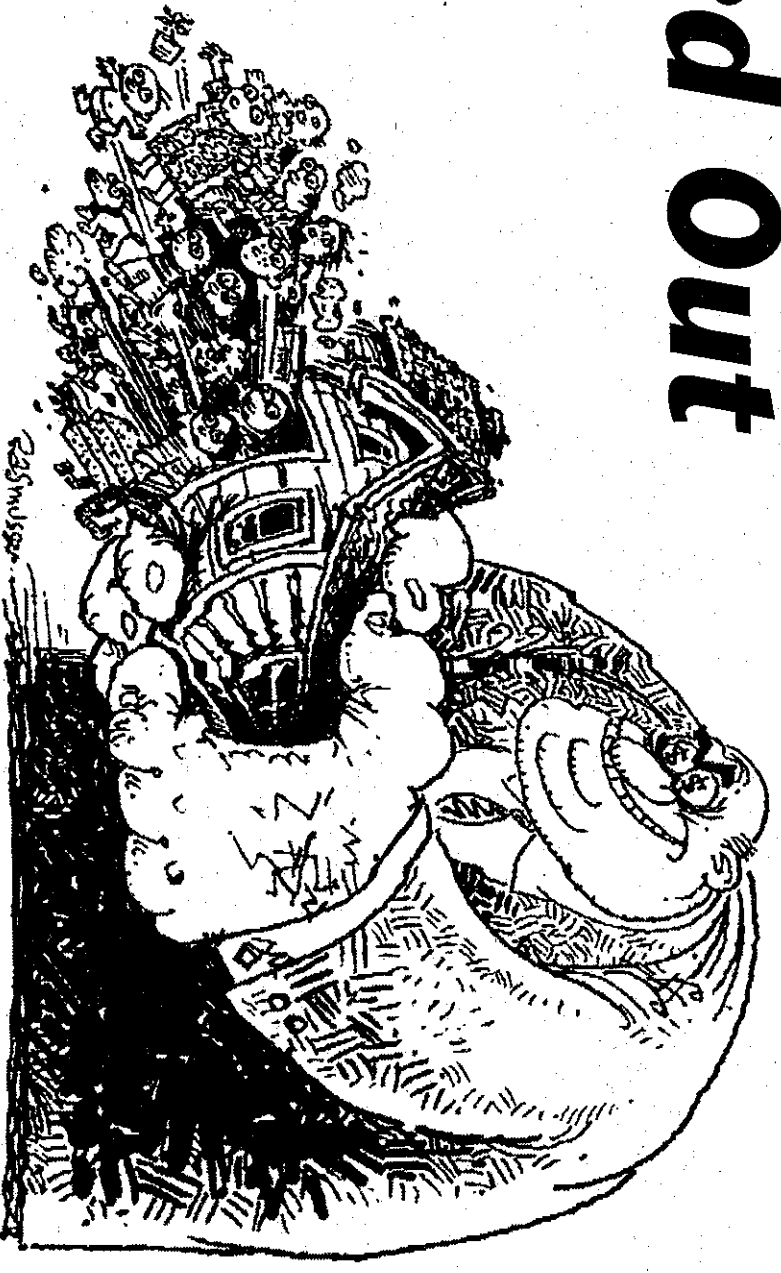
Like the Bennetts, Carol probably wasn't counted among the homeless. But she does not have a home. She and her two children were staying with a friend. Now she is staying with an adult son—Carol sleeping on the couch, while her children share a bedroom.

Carol is a single, working mom who takes home \$500 after taxes and other deductions. Through a welfare program known as Supplement to Wages, Carol gets her wages topped up by welfare. "Welfare will give me \$500 for rent and utilities but I haven't been able to find anything under \$600."

Boardwalk rents
Audrey Houle is an Outreach Worker with Candora, an organization that helps families in Abbottsfield, the northeast Edmonton neighbourhood where Carol and the Bennetts used to live. The average family income in Abbottsfield is \$25,781 compared to the City of Edmonton average of \$53,289.

The entire neighbourhood is apartment buildings and row houses. Twenty-eight per cent of the neighbourhood lives in apartments, while 72 per cent live in row housing. Compare that with the rest of Edmonton where only 10 per cent of the population lives in row housing.

Tour the neighbourhood and you will see Boardwalk sign after Boardwalk sign, proof that the Calgary-



based apartment owner has been buying in Abbottsfield.

"Everything was fine until Boardwalk," says Houle. "When Boardwalk came in, a lot of families left because they couldn't afford the rent. They have too many children, and they just give up. Some have gone back to the reserve or they are living together—families sticking together."

"Boardwalk owns all the property around here," adds Houle, who has lived in the neighbourhood for 15 years. "The other owners would take your income into consideration. When Boardwalk came in, our rents went up. I was paying \$525. Now they have hiked the rent to \$610."

Boardwalk President Sam Kolias was surprised to learn that a single parent with one child is expected to find safe, comfortable housing for \$428 a month, including utilities. "With the tightening housing market, that has to be adjusted," he says. "No ifs, ands or buts."

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-- Sam Kolias, President, Boardwalk Equities Inc.

The average Boardwalk apartment rents for \$500. Kolias says no one could rent for less. "If you consider how much we have to pay in property taxes, utilities and other expenses, it works out to about 20 per cent or \$200 a month for a \$500 apartment. We net \$300 for a two-bedroom, 850 square foot housing unit. Nobody else can do it cheaper and that is why nobody is building."

Boardwalk—Edmonton's largest landlord—owns one in six Edmonton suites. Boardwalk has specialized in buying older, run-down apartment buildings. Kolias says the landlords were happy to sell because the buildings were losing money. To keep rents low, these landlords put off important maintenance.

Kolias suggests that a housing crisis was inevitable. With poorly maintained, aging apartments, Edmonton had two choices—a landlord like Boardwalk or block after block of boarded-up condemned buildings.

Kolias says that is what has happened in Ontario. The low-end apartment stock is in such bad repair, some buildings don't have water and heat. "Social services comes and condemns the building but then the people can't go anywhere because there is nowhere else to go because nobody is building."

Landlords can only charge welfare-style rents if they forego maintenance. "It catches up with you," Kolias explains. "You are faced with boilers, roofs, plumbing upgrades, appliances that don't work, broken windows. Even very high profile buildings have pipes with calcium build-up from galvanized piping. The landlord is looking at a million dollar tab and says, 'If I hang onto this thing, they are going to condemn it.'"

Rent problems
Lawson Bennett has worked since he was 13. "I worked on oil rigs, oil valves, in mines—whatever I can get." Lawson and Dianne have been married for 12 years. Dianne had worked at University Health Services for 18 years, until she lost that job, and Lawson became the sole breadwinner. "With five of us, three kids," explains Lawson, "I was below the poverty line so they [social services] were subsidizing my wages."

The Bennetts' money problems became crises when Lawson lost his job. "Everything just totally fell apart. We couldn't keep up with nothing. We had our gas cut off in May. In November, we still didn't have it on."

Without a job, the Bennetts were relying solely on welfare. Although a family with three children qualifies for a monthly shelter allowance of \$546, Lawson says he only received \$396. "My rent was already over \$500. I was taking my food money to cover my rent,

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Squeezed Out

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and that was making us fall behind on our gas and power."

With mounting bills, Lawson just stopped paying the rent. By November he was out on the street.

Who will rent to us?

Audrey Houle from Candora says the Bennetts aren't the only family who can't find a place to rent. "Right now with housing," says Houle, "landlords don't just take you any more."

"We couldn't keep up with nothing. We had our gas cut off in May. In November, we still didn't have it on."

"Boardwalk goes back 10 years," she explains. "They keep a record of you like a collection agency or credit bureau. If you have missed maybe one payment and have caught up, it is like the landlord gives you a bad name."

Kolias doesn't dispute the fact that Boardwalk keeps records. But he tells stories about the compassion Boardwalk shows to tenants. "There was a homeless family from Edmonton that landed in Calgary. They had three previous landlord defaults and one of them was with us. So they couldn't get a unit regardless of who they were with."

"Not one landlord would give this customer a unit here in Calgary, except Boardwalk. It was a previous tenant who owed us \$1,500 and they promised to work with a social services person on their addiction problem, their abuse problems."

Boardwalk now has a full-time social services director and a social services policy that asks tenants for "proof of financial hardship." Boardwalk will not raise your rent if you are on limited income and have the paperwork to prove it. "We have waived over 100 increases already," says Kolias.

Houle says most families don't go begging to Boardwalk. Instead families move in together, then hide the fact from the landlord. "They are all rooming or living together in a townhouse. Some have eight kids, some have nine. Where do they put everybody?"

When a family moves in with relatives, they lose their welfare shelter allowance. "They get taken off assistance," explains Houle, "because they don't have an address. You have to have an address to get assistance. The family loses its income and our food bank numbers increase."

"You are able to access the food bank through Candora once every four weeks. We have 65 to 70 families a week. This is even during family allowance week, cheque week. For some people, the food bank is all they rely on."

Outside the private rental market, there is also public housing, known as Capital Region Housing.

When a family moves in with relatives, they lose their welfare.

Edmonton has 113 Capital Region Housing projects with 4,558 units. Tenants who stay in public housing only pay 30 per cent of their gross income on rent. Daryl Kreuzer, senior planner-housing, with the City of Edmonton, says about 700 families and individuals are waiting for Capital Region housing.

"There has been a dramatic turnaround during the past 18 months. Eighteen months ago there were zero people on the waiting list. It is reflective of the overall tightening of the housing market. The vacan-

cy rate has declined from in excess of 10 per cent to under 2 per cent currently. Some private market agencies forecast vacancy rates for us and they are saying that it should soon be down to 1 per cent."

Cornering the poverty market

In neighbourhoods like Abbottsfield, Boardwalk has become the number one landlord. With an average neighbourhood income of \$25,781, most of these families fall below Statistics Canada's Low Income Cut-off. In Edmonton, about 10,000 families rely solely on welfare. Others are like Carol and the Bennetts. They work for minimum wage, and welfare helps with the rent.

But Kolias reiterates that he can't afford to charge welfare-style rents. Instead, he says, the province needs to increase its welfare rates. "Housing costs are increasing, and there is a big need for an adjustment. It is the best thing that we as a government or people can do."

"If we keep people in safe and decent living accommodation, we will keep them out of shelters and emergency accommodation. In the long run, it is 10 times cheaper. Otherwise, they will go crazy under the pressure. If you are in financial difficulty and you are squeezed out of your unit, you are going to get sick. Whether it is physically or mentally, you are going to get sick."

Lawson Bennett understands about feeling sick and crazy. Since being evicted from their Boardwalk apartment, the Bennetts have yet to experience any landlord's compassion.

"It is hard," says Lawson, who doesn't know how long his family can continue to stay in a cheap hotel, courtesy of Social Services. "The kids are going through hell right now. They can't go outside. They get cranky. It is two bedrooms and a washroom. The front room is also our bedroom."

Shortly before becoming homeless, he met with a psychologist. "She asked me how things were going and I explained it to her. She turned around and looked at me and said, 'What is the next thing you are thinking about doing?' And I said, 'Well maybe I will just go blow my brains out.'"

Standard Welfare Benefits

The standard allowance covers: food; clothing including cloth and disposable diapers; household needs including furniture, appliances and household supplies; personal needs; installation and use of a telephone; laundry; and transportation including school transportation, vehicle registration, insurance, fuel, maintenance/repairs and moves within Alberta.

Number of Children	Ages of Children		Standard Allowance	
	0-11 Years	12-17 Years	One Adult	Two Adults
0	0	0	\$299	\$426
1	1 0	0 1	336 369	500 533
2	2 1 0	0 1 2	433 466 499	609 642 675
3	3 2 1 0	0 1 2 3	549 582 615 648	720 753 786 819
4	4 3 2 1 0	0 1 2 3 4	659 692 725 758 791	830 863 896 929 962

Average Household Income (gross)

Source: City of Edmonton Community Services Neighborhood Profile

	Annual	Monthly
Edmonton (city boundaries)	\$53,289	4440.75
Northeast Edmonton	25,781	2148.42

Maximum Shelter Allowance (Private Housing)

The standard allowance includes: rent; payments on mortgages or agreements for sale; utilities; municipal taxes; homeowner's fire insurance; condominium fees; lot rentals for mobile homes; a homeowner's maintenance allowance (\$19), damage deposit and the shelter portion of R&B (room and board).

Clients living with relatives in room and board arrangements are not eligible for shelter allowance. (A relative, for this purpose, is a parent, step parent, step child, adoptive parent, adoptive child, adult offspring, sibling, niece, nephew, aunt, uncle, grand parent, grand child, or in-law.)

Family Size	Expected to Work	In Transition	Not Expected to Work
1 person unit (R&B)	\$168	\$168	\$218
1 person unit (not R&B)	168	253	303
2 person unit (2 adults)	336	336	436
2 person unit (1 adult & 1 child)	428	428	482
3 person unit	503	503	556
4 person unit	524	524	578
5 person unit	546	546	599
for each additional person	+20	+20	+20

Average Apartment Rents

(based on October 1999 rental market survey)
Source: Canada Mortgage and Housing Corporation

	Bachelor	1 Bdrm	2 Bdrm	3+ Bdrm
Edmonton (city boundaries)	\$403	\$468	\$578	\$662
Northeast Edmonton	350	446	532	599

Staying Positive

When you are homeless, independence feels like a dream

by Terese Brasen

"The end of the month came," says Maria, "and they said if I don't come up with the \$600, I would be evicted. I had nobody to help me move so I had to haul it in a Safeway cart."

Maria's voice slows, and her stare shows she never expected to be homeless, pushing her belongings in a shopping cart.

Maria is 63 years old and lives on a \$291-a-month survivor's pension that dates back to the Sunday afternoon her husband drove the farm truck into a fence and died in her lap.

There may be a government program somewhere that could help Maria but welfare departments aren't advertising their services and Maria doesn't know where to go or whom to ask.

For years, Maria shared a Bonnie Doon area apartment with her son. When he moved out, she couldn't find another roommate and couldn't make the rent.

"That morning I took my things," she recalls, "I went to the mall. Had coffee. About all I had that day. When evening came, I started walking. I thought about going to the Regency Hotel, but I had no money."

Maria is hugging her pink cardigan tight around her. Her clothes are clean, ironed and co-ordinated. She looks like she belongs at a church group meeting, knitting baby booties for a craft sale.

Maria wandered the streets until the police brought her to the Women's Emergency Accommodation Centre, the downtown women's shelter where she has lived for the last five months.

The Women's Emergency Centre can house up to 66 women. "Our doors are open to anyone," says Jeannie Bodnaruk, the centre's manager. "The only reason we would not accommodate you is you have a history of violence, and if you can show us that you have made progress in that area, we can give you another chance."

Women who can't be accommodated have two other choices: the George Spady, a detox centre with a

women's section, and the Salvation Army, which has 10 beds until the end of March. The only other option, says Jeannie, is city cells.

At the Women's Emergency shelter, Maria found out she wasn't alone. Other women find themselves without money and support.

"There are all kinds of women here," she says, her face showing shock and horror. She talks about the crack addicts and the women who use the bathtub as a toilet. But there are other older women, like herself, and professional women, like her friend Kristie, a 43-year-old property manager.

Kristie has a Bachelor of Commerce degree and a resume that includes an impressive list of professional property management experience. She ended up homeless when she traveled from Medicine Hat to Edmonton to attend court.

Kristie had been charged with welfare fraud, even though she had never been on welfare. "Someone had got ahold of my social insurance number. They found the person who did it and all charges were dropped."

The charges were dropped but Kristie spent her last dime on lawyers. Now she is hundreds of miles from home without any money. "I was prepared to go to jail," she says. Instead, Kristie ended up at the Women's Emergency Centre.

Maria hasn't given up hope. She holds onto it like the stub from a \$2 lottery ticket.

"You have got to watch yourself," Kristie says about the Centre. She is referring to the fact the women share washrooms and rooms, and all the rooms are unlocked. "I kind of stick to myself and watch who I sit with."

Kristie talks about the street women, then starts listing the women you wouldn't expect to find in a downtown shelter for the homeless. She talks about the University of Alberta professor who was fleeing her abusive spouse. She talks about the grandmother who was staying with her daughter until her daughter's boyfriend kicked her out. She talks about the woman who has 200 personalities—a woman who should be receiving better health care.

"It could happen to you," she says, with a direct, blue-eyed stare. "It could happen to anyone."

Getting back home

Kristie is determined to regain her independence. She knows she is highly employable. But when you are homeless, independence begins to feel like a dream. "It is hard to look for a job when you don't have a bus ticket. If I want to see an employer on the west side, I might get a bus ticket out there. But how do you get back?" It also scares employers off, she says, when the number you leave is a women's shelter.

Maria too is looking for a job. But at 63 without much job experience, she's hardly employable. Her most recent jobs include being a chamber maid and cooking fries at McDonalds during the noon rush. Both jobs ended because she wasn't fast enough.

"When I was a chamber maid, I had to do 15 rooms in four hours. I said, Goodness, I need wings on my back. At McDonalds, I went as fast as I could but I didn't have six arms. You have to get the frozen fries in the pan. Then you have got to cook them and hurry because there is a line of people and they don't want to wait five minutes. They want their fries now."

Staying positive

Maria hasn't given up hope. She holds onto it, like the stub from a \$2 lottery ticket. Maybe today she will have the winning number. "I have to stay positive but what I wanted to do years ago with my life is splitting away."

Kristie admits a little bit of help would go a long way right now. She is thankful she has a roof over her head and meals to eat. But beyond that, it is difficult to get help. "It is hard to get on social services," she says.

"You need bus tickets to go look for an apartment so you end up looking around here," says Kristie, explaining that the prices in the inner city are much steeper than in the west end. "You are paying three something for just one room and there are cockroaches and mice. Social Services gives a single person \$192 for rent, and they expect you to live in the Bryton Block above the Hub with the cockroaches and mice."

Then there is the safety issue. "I don't want to live downtown," adds Kristie. "It's bad down here. You hear about people getting stabbed."

"You are supposed to do it on your own," Maria says, about moving out and finding a place. A one-time grant from Clifford E. Lee Foundation has allowed the Centre to provide damage deposits to 20 women. The Centre has already given out 14 of those deposits. If Maria and Kristie move quickly they might still get some of that help.

No One is Building Apartments

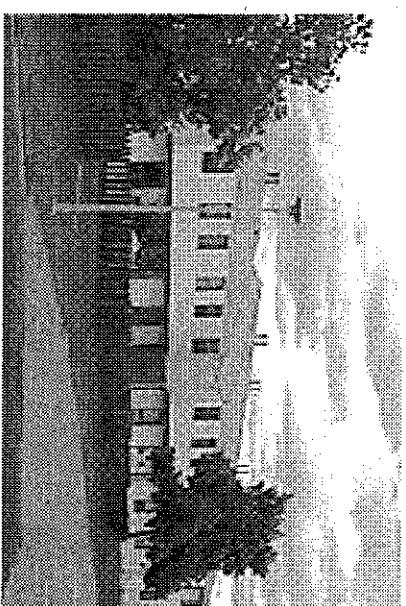
In Edmonton, we are seeing a shift toward home ownership. New houses are going up everyday, while the number of rental units is shrinking. Between 1991 and 1999, the number of rental units decreased by 900 or .8 per cent while the number of privately owned homes increased by 24,800 or 20.1 per cent.

With fewer apartments for rent, the rental vacancy rate falls. In 1995, the vacancy rate was 10.2 per cent. By 1998, it had fallen to 1.9 per cent. Canada Mortgage and Housing Corporation (CMHC) projections show a continued low vacancy rate for the year 2000.

At the same time, rents are going up. According to CMHC, the average rental increase in 1998 was 5.3 per cent or \$25 a unit. In 1999, it was 4.5 per cent or \$21 per unit. CMHC projects a five per cent increase for 2000.

The shift toward home ownership is partly due to the cost of building apartments. Building private homes makes sense to a developer, but building apartments tends to be a losing proposition. Since the 1970s, the cost of building apartments has been greater than the rent you can charge.

To cover the design and construction costs, a developer



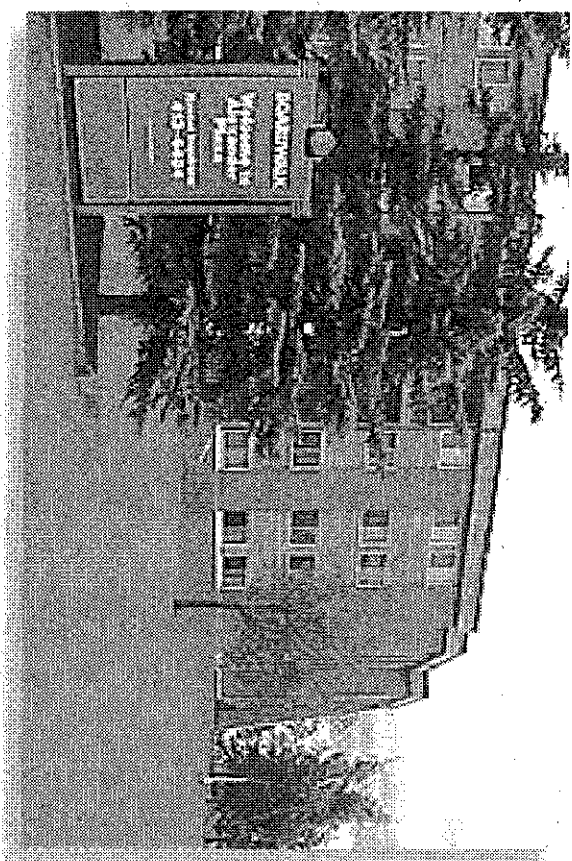
needs to charge at least \$1 per square foot. More reasonable would be \$1.10 to \$1.20 per square foot. In other words, a developer needs to charge at least \$900 a month for a 900 square foot apartment.

In the past, federal and provincial government programs offset the cost of building social or low-income housing. However, most of these programs no longer exist.

Until 1993, the CMHC and the Government of Alberta jointly shared the cost of non-profit housing projects aimed at seniors, low-income families and special needs groups. Projects started before 1993 still receive funding. However, there is no money for new projects.

Until 1993, the two government bodies also shared a Rent Supplement Program. Private landlords could apply for subsidies when the rent was more than 30 per cent of a tenant's income. Again apartments

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Taking Responsibility for Homelessness

In January 1999, Toronto's Homelessness Action Task Force released Taking Responsibility for Homelessness, a study that analyzed homelessness in Canada. The study deals specifically with homelessness in Toronto. As Edmonton's homeless problem continues to grow, however, we may want to look at Task Force's findings.



The following excerpt is from the final report by Anne Golden, president and CEO of the Greater Toronto United Way.

Homelessness has reached a level we have never seen in our history. This social and human tragedy is obvious to anyone who has walked on the streets of Toronto, but the depth of the problem and the extent of the despair it engenders goes far beyond the visible homeless....

We found that the fastest growing group among the homeless is not the stereotypical adult male with an alcohol problem, but youth under 18 and families with children. In fact, families made up 46 per cent of those using Toronto's hostels in 1996, and 5,300 children were living in hostels that year.

Every element of homelessness, we discovered, is more than statistics, and enormously complex. People who are homeless suffer not only from abject poverty, but from the loss of connections to family and community. We believe there are real solutions possible, though we identified five main barriers to

solving the problem. These are: a crisis mentality which is reflected in the absence of coherent long-range planning; the increase of poverty and the shrinking supply of housing; jurisdictional gridlock among the various levels of government; the challenges of dealing effectively with people with severe mental illnesses; and the absence of coordination among the various service providers....

The single most important prevention tactic is to help low-income tenants pay for and keep their housing. With both the growing incidence and depth of poverty, the rise of evictions, and the fact that 106,000 tenant households pay more than half their income on rent, we recommend a new shelter allowance for the working poor. We propose a shelter allowance that would reduce the share that low-income people spend on housing from more than half their income to between 35 and 40 per cent. Shelter allowances work well in other jurisdictions and are the most effective tool to avert homelessness.

The chronically homeless - largely people with special needs such as mental illness - constitute a relatively modest 17 per cent of the total population, yet use almost half the beds and services of the shelter system. Their circumstances do not constitute an emergency, but absorb resources in what works as permanent housing for this small group. Therefore, we recommend that at least 5,000 additional housing units with support services should be built in all areas of Toronto over the next five years, mainly for homeless people who have mental illness and/or addictions. The Task Force is convinced that supportive housing is the single most important factor in preventing homelessness and restoring people's health, dignity and independence.



As well as supportive housing, we believe that there is a case for public investment in affordable housing. We document Toronto's deepening poverty and growth in the number of low-income households and the fact that as the demand for low-cost housing is increasing, the supply has been dwindling, and rents have risen faster than inflation. Therefore, we call for a City-initiated development strategy to increase the supply of affordable rental housing by 2,000 units a year. Because no single mechanism can bring rents down to affordable levels, we ask governments to subsidize land costs, waive fees and charges as well as GST and PST, modify property taxes, provide rent supplements, and help with financing costs, mortgage insurance, and capital grants. We are convinced that the private sector cannot meet low-income housing needs without a subsidy.

The federal government has been pivotal in social housing development for the past 50 years, and should renew this commitment by financing the construction of new affordable housing, rehabilitation of existing affordable housing, and projects to prevent and reduce homelessness among Aboriginal people, immigrants and refugees.

Homelessness is largely caused by poverty and ill health. As the Province is responsible for health and income maintenance, it should adjust the shelter component of welfare to reflect local rents; establish the new proposed shelter allowance for the working poor; fund supportive housing and treatment programs; and continue to enhance access to health care for homeless people.

The complete report can be found on the Toronto United Way Website at www.uwgt.org. Images from "Gimme Shelter," a United Way photo exhibit by Toronto photographer Nir Bareket.

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already subsidized continue to receive funding but there is no new money for new subsidies.

Until 1993, CMHC provided mortgage insurance to non-profit aboriginal groups developing non-profit housing. CMHC also covered the difference between total operating costs and rental income, so the group could keep rents at 25 per cent of total family income. Projects already receiving funding continue to receive support but there is no new money.

Building apartments tends to be a losing proposition. Since the '70s, the cost has been greater than the rent you can charge.

From 1975 to 1978, the federal Assisted Rental Program encouraged the private sector to develop affordable rental housing. The feds provided annual operating subsidies and interest-free loans to keep rents affordable.

From 1974 to 1982, the federal Multiple Unit Building Program (MURB) encouraged individuals to invest in rental housing. If you invested in a MURB, you could deduct rental losses and other costs from your personal income.

Until 1994, the Core Housing Incentive Program

(CHIP) encouraged developers to construct affordable rental units. Under CHIP, developers received preferred mortgage financing, provided half the project was targeted toward low-income tenants.

Through CMHC, the federal government still insures mortgages, making it less risky for the banks to lend money. With apartments, the developer must put 15 per cent down. The CMHC-insured loan covers the other 85 per cent. CMHC will consider sweat equity as part of the 15 per cent down payment. In 1991, CMHC created the Canadian Centre for Public Private Partnerships to help non-profit and community groups finance affordable housing. Several groups form partnerships to finance projects.

With social housing, CMHC provides Project Development Funding to help organizations plan affordable housing projects and place options on land. CMHC will also provide Direct Lending. It raises funds on the international market then provides competitive, low-interest mortgages for non-profit projects.

The Residential Rehabilitation Program allows landlords, homeowners and persons with disabilities improve accessibility. The maximum loan for a landlord or developer is \$18,000 per unit.

Before 1994, the Government of Alberta helped construct and operate affordable housing—mostly seniors housing and lodges. In 1994, with the new Alberta Housing Act, the province stopped constructing and managing buildings. Instead, it began providing support to Management Bodies that looked after building and managing non-profit housing.

Download back issues of EdmontonFacts from the Edmonton Social Planning Council website at <www.edmspc.com>

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