

Where's the Money?

A look at the money being put into affordable housing compared to what's shown in the media and reflected in available information.



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Purpose for the project



News stories are regularly published about funding being dedicated to affordable housing. Still, there is a lack of clarity about how much money is actually out there and where it is going.

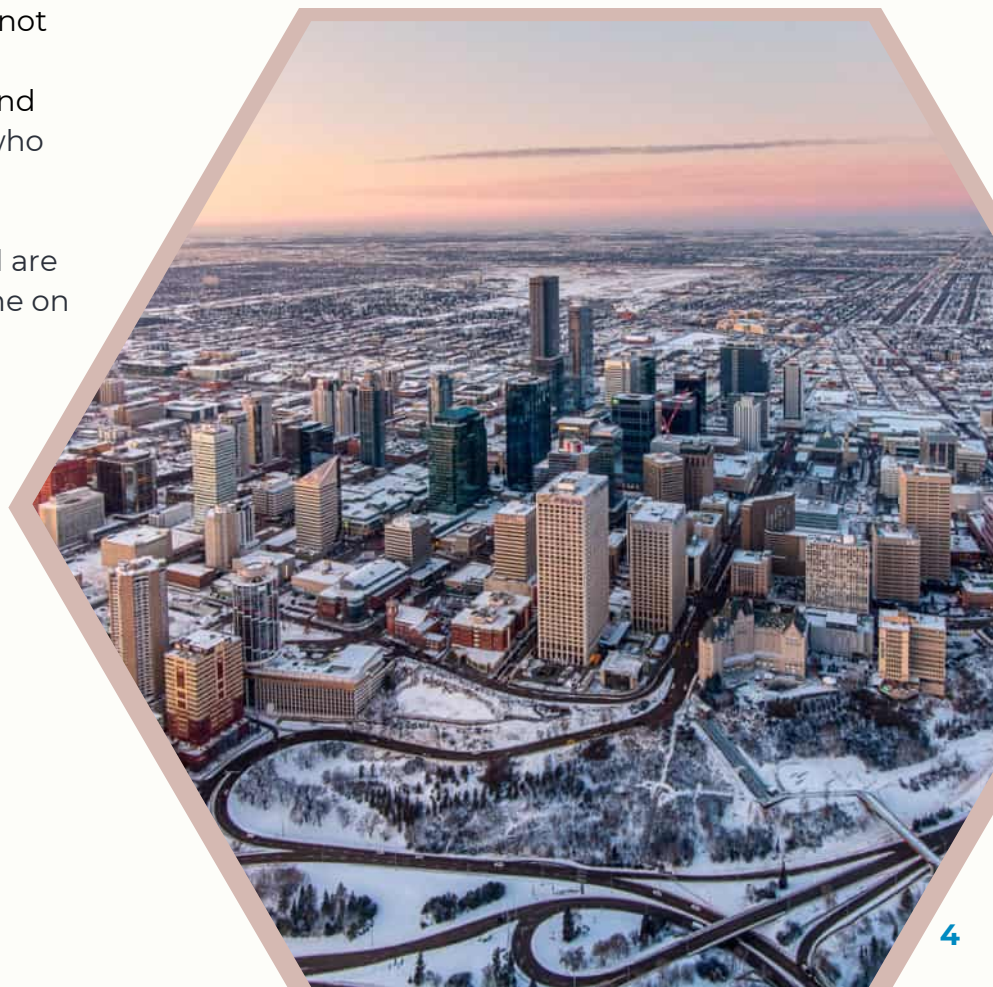
Seeing news headlines about what is seemingly a lot of money being poured into affordable housing while simultaneously seeing the rising number of people experiencing homelessness is confusing. How can more people be sleeping on the streets, using shelters, paying half or more of their income on housing than ever before when there often seems to be money being put towards mitigating these circumstances?


This project seeks to answer that question, and clear up confusion regarding the representation of the amount of money being put into affordable housing, what is actually being spent, what is being done moving forward, and taking a look at what other Edmontonians right above the cut off for affordable housing are spending on housing.

Housing is a human right, and an important base to have a good, full life. People experiencing housing insecurity die at a younger age compared to those who are housed and using a shelter is a temporary and undesirable option for many (Buccieri et al., 2022).

Eligibility for affordable housing does not include all who need it in today's economy, and the waitlists are long, and unpredictable. Many Edmontonians who rent, but do not meet the affordable housing requirements, as they might make right over the income threshold are still spending too much of their income on rent.

With the current circumstances impacting the cost of living, there are more people being pulled into poverty or struggling to afford basic needs, like housing, than ever before. The financialization of housing has skewed the market prices of houses and rent and the need for affordable housing is growing.





With all of these funding announcements, how much of this money is repeated and how much is new?

To find relevant news stories, “affordable housing Edmonton”, “affordable housing funding”, and “affordable housing budgets” was searched through google, as well as through any of the major news outlets (CTV news, Edmonton Journal, CBC news, CFWE, Global News, Newswire, City News, CNW) for all of 2023. When looking at these news articles, we sought to identify how much money was being announced, which funding stream it came from, if the money applied for was received, if the money received was the same as the amount applied for, if the story covered the construction/ renovation of housing that money was already announced for and if the news story overlapped amongst news outlets.

21 relevant articles were reviewed, and while expectedly most major news outlets would cover the same story, there was also repetition of news posts for the same funding story. This would appear in news stories of money being **applied** for, but not yet received, as well as an update when money was **received**. There were a few instances of news stories providing an update for money that was applied for and received, but the money received **was a much smaller amount** than what was initially announced that the City of Edmonton/ Alberta Government applied for. For example, a news story covered in the Edmonton Journal states that Edmonton applied for \$72.6 million dollars of funding, and the city would have had to put in \$48.4 million dollars to access that full amount in combination with three non-profits (Issawi, 2023). When the grant came back, only \$12.5 million dollars was received (CMHC, 2023). This repetition also appeared in news stories covering the construction or renovation of affordable housing, which came from previously announced money.

In many of the news stories, funding streams were unspecified which made it difficult to discern if an announcement of money was coming from the same funding stream or a different one. This makes it hard to track if money is coming from a federal or provincial grant that was already announced, or if it is new funding entirely, or if the city/ province just gets a portion of the amount that was already announced in a different news article. Furthermore, news articles would follow stories of when new affordable housing units were being built, but the money funding the project would be from a previously announced portion of a grant. This could give a reader the impression that this is new funding, especially when funding streams are not specified.

How Much Money is Actually Out There?



When determining how much money is out there for affordable housing, what stood out was that it is difficult to get a clear answer.

At the beginning of this project, budget numbers were listed as follows:

- City of Edmonton's Capital Budget (building and maintaining infrastructure - \$49.2 million of approved funding for 2023-2026.
- City of Edmonton's operating budget (estimated cost to provide programs/ services) - \$18.7 million dollars for affordable housing and homelessness prevention (added in **2023 only**) - \$6.6 million in grant rebates for municipal affordable housing taxes.

An email to the City of Edmonton was sent asking about the affordable housing and homelessness budget at the end of September 2023. The numbers reflected here are different from the ones above, and the operating budget number is not clear.

Affordable Housing & Homelessness Budget @ Sept. 30, 2023				
Operating Expenditures	2023	2024	2025	2026
Housing & Homelessness Section Budget	90,429,349	46,179,792	46,663,533	34,350,809
Affordable Housing Grant Program	6,083,000	6,584,000	6,584,000	6,584,000
Total Operating Expenditures	96,512,349	52,763,792	53,247,533	40,934,809
2023 one-time items include: \$14M higher than 2024/2025 cashflowing of 2019-2022 approved grants \$12M Renewal funding - \$9.75M CMHC Funded, \$3.5M CoE funding \$11.5M RHI Hotel Conversion projects \$7.5M and \$4.08M for Shelters in 2023 Held by Assessment & Tax / Corp. Expenditures & Revenues				
Operating Funding Sources				
Tax Levy	39,343,176	39,592,801	39,693,774	39,756,035
Affordable Housing Reserve	26,864,605	12,000,000	13,000,000	890,091
Financial Stabilization Reserve	15,689,951	-	-	-
Federal Funding	12,228,442	-	-	-
Provincial Block Funding	973,469	-	-	-
Social Housing (Fed)	624,458	490,171	147,264	-
Social Housing (Prov)	499,566	392,137	117,812	-
Rental Revenues	288,683	288,683	288,683	288,683
Total Operating Funding	96,512,349	52,763,792	53,247,533	40,934,809
Based on Cashflow of Construction Timing \$7.5M and \$4.08M for Shelters in 2023 and other carryforwards \$2.5M Rapid Housing Initiative & \$9.75M CMHC Renewal				
Capital				
City Funding	40,803,324	12,064,257	6,564,257	-
Provincial Funding	1,597,472	2,396,209	-	-
Federal Funding	17,533,074	4,800,000	-	-
Total Capital Funding	59,933,870	19,260,466	6,564,257	-
Combined Budget Funding Sources (Operating and Capital)				
City Funding	122,989,738	63,945,741	59,546,714	40,934,809
Provincial Funding	3,070,507	2,788,346	117,812	-
Federal Funding	30,385,973	5,290,171	147,264	-
Total	156,446,218	72,024,258	59,811,790	40,934,809

City of Edmonton 2023 *these numbers are not current*

What does this all mean?



These numbers often change, and keep changing while the City continues to deliberate on how to address the housing crisis in Edmonton, and as additional grant money is given by the provincial or federal governments. The numbers in the municipal budget are not always presented in the media, rather the large grant numbers possible to apply for from provincial or government funding are mentioned. Additionally, it is unclear in the numbers presented in the media or the numbers found in the capital or operating budgets municipally include provincial or federal funding. Some media stories included budget numbers that pointed out all of the housing and homelessness sector budget, which includes more than just affordable housing under that section. Quite a few of the news stories reviewed announced new affordable housing being built and focused on the large monetary amount being used to build this housing. They then later would mention that only a certain amount of them would have rental rates that qualify for affordable housing.

In the media, with so many announcements in various news sources, the updates of every step of an application process of a grant, and every evaluation of housing and budget being announced in the media; it seems that there is a lot of money being dedicated to this aspect. Even if this is the usual way news is reported, it could skew a person's perspective. The average person who does not have the time to dig through several budgets, affordable housing needs assessments, or ability to email someone on the City of Edmonton Finance team would not be able to track down just how much money is being put into affordable housing.

An update posted on the City of Edmonton's website on November 28, 2023 stated that there is \$22.9 million to deliver affordable housing projects (CoE, 2023). This does not specify if it is only for 2023 like the previous \$18.7 million dollars that was only being added in 2023, rather it says it is for the 2023-2026 budget (CoE, 2023).

Understandably so, the city has to continuously reassess the plan to deal with the housing crisis in Edmonton that was recently declared a state of emergency. As more money is available, it is clear that the City of Edmonton puts a great deal of effort and money behind it to help this issue. The City of Edmonton often advocates on behalf of the city with both the provincial and federal governments for additional funding and the renewal of funding for current projects. Although the advocacy is strong from our municipal representatives, the amount of money being allocated on a local level, and the current funds added by the provincial and federal governments is not sufficient to resolve the housing crisis in this city.



Why are new Affordable Housing Developments Being Granted When Existing Ones Lose Their Funding?

There were two instances of affordable housing developments either losing their funding or not being adequately funded for repairs in 2023.

CIVIDA is a provider of community and affordable housing in Edmonton. 40% (376 units) of affordable housing units that CIVIDA manages were found to be in poor condition due to limited funding from the provincial government and funding agreements were ending in 2023 (Boothby, 2023). Although 40% of units were found to be in poor condition, 92.6% of all deeply subsidized CIVIDA homes were found to be in poor to fair condition, as they are nearing the end of their life expectancy. There was an urgency in Spring 2023 for the City of Edmonton to step in and renovate 952 units, as they didn't want to see these homes continue to go without the deferred maintenance and repairs. This money was supposed to be used for city infrastructure but had to be reallocated for these repairs. During this time, the provincial government announced \$120 million dollars for new projects (Boothby, 2023).

The other project is a transitional bridge housing project located in West Edmonton. This bridge housing program helped 87 chronically homeless people find permanent housing in six months after temporary funding from the City of Edmonton in early 2023 but was set to close in August after funding ran out (Riebe, 2023). Mayor Amarjeet Sohi wrote to the Alberta Premier asking to continue funding for this site, when during that time the province was asking for submissions to fund a temporary winter space, a shelter for women only and an Indigenous- led shelter in Edmonton. To date, there has been no update on this program or space.

There was no clear information that could answer why new affordable housing developments are being granted funding when existing ones are losing their funding. However, it could be due to a lack of investment/ room in budgets for the maintenance and renovations of existing affordable housing as mentioned in the CIVIDA affordable housing story. There seems to be a focus on building new buildings to respond to the need for affordable housing rather than investing in current projects, or converting buildings that are no longer in use for these purposes.



A Look at the Current Picture

The City of Edmonton released an Affordable Housing Strategy for the 2023-2026 budget cycle which takes an in-depth look into how much affordable housing is needed in Edmonton, who needs it, and what the city's role is in meeting those needs. "Affordable housing is defined as housing that costs less than 30% of before-tax income and is most needed by lower- middle-class households, the working poor and people requiring support" (CoE Affordable Housing Strategy, 2023). Considering that the cost of market housing is rising and there is increasing income disparity, the need for affordable housing is growing. These factors drive middle income households into being able to afford less, which increases the demand for affordable market level units.

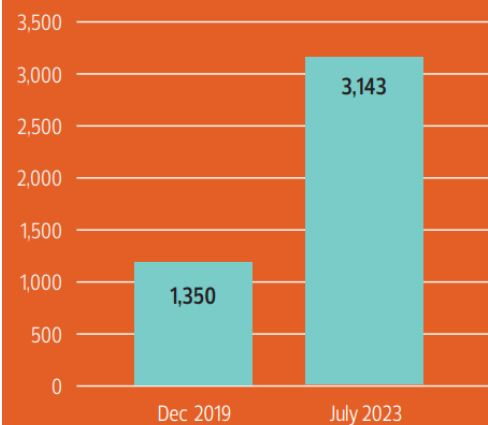
In 2021, nearly 1 in 8 households in Edmonton (46,155) households were living in core housing need (CoE Affordable Housing Strategy, 2023). Core housing need is defined as unsuitable, unaffordable and inadequate housing either in condition, size, or price.



There are also over 3,000 people experiencing homelessness in Edmonton, which is a number that has doubled since 2019 (CoE Affordable Housing Strategy, 2023).

In this strategy, the City of Edmonton has projected a need for an additional 39,700 affordable housing units by 2031 as well as 1400-1700 permanent supportive housing units (CoE Affordable Housing Strategy, 2023). Currently, if the goal is to build 2,700 more units for this budget cycle (and it was the same for the last budget cycle) then **by 2031 we will be 33,000 units short.**

The number of people experiencing homelessness has **doubled since 2019.**



Source: Homeward Trust By Name List, July 2023

In Core Housing Need (CoE Affordable Housing Strategy, 2023)

- 41%** of households with people 65 years and older
- 36%** of female-led households
- 23%** of households that include people with developmental disabilities
- 22%** of households that include people with mobility and health challenges
- 19%** of racialized households
- 16%** of households that include people with an addiction or mental health issue

The financialization of housing and income disparity

The U of A Affordable Solutions Housing Lab has determined that approximately 48% of purpose built rental units in Edmonton are owned by financial institutions and this is double the national average (AHSL, 2023). The financialization of housing leads to higher rental rates because profits are prioritized over the right to housing. This leads to higher rental rates, a rise in evictions and spill over effects that restrict the overall supply of housing (AHSL, 2023). These purpose built rentals are only considered affordable for households who make over \$70,000 in most circumstances. There is a high need for those in the very low/ low income households to have more availability for affordable housing, but there is also a high need for those in the moderate income category. It is likely that many households in the latter category are living in purpose build market rental housing and spending more than 30% of their income on rent each month.

Income Level:	Very Low/ Low Income Households 44,999 or less	Moderate Income Households 45,000 - 69,999	Average and High Income Households 70,000 or more
Supply:	14,445 Social/Affordable Housing Units 2,807 City funded units 1602 emergency/ temporary beds	3,624 units under construction through CMHC's MLI Select Program	116,201 total available for rent (small units, large units, condo)

CoE Affordable Housing Strategy, 2023

In Edmonton, income disparities are larger than the rest of Canada.

The median income per household is \$90,000 annually which is higher than the national average of \$84,000 annually per household.

35% of renting households earn less than \$45,000 annually per household.

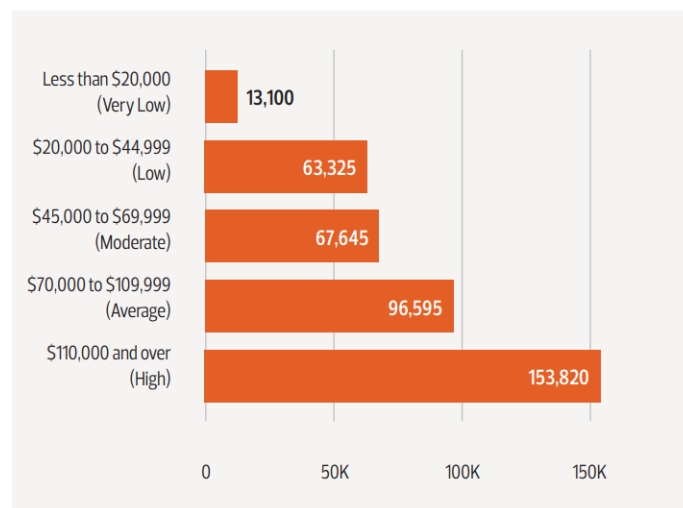
However, 92% of renter households are in core housing need as their housing does not meet the affordability standard compared to 8% that do not meet the suitability or adequacy criteria.

(CoE Affordable Housing Strategy, 2023)

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Household Income Category Distribution

Number of Households



Source: Edmonton Affordable Housing Needs Assessment, 2023



Conclusion

“Where’s the Money?” addresses the representation in the media of funds being put into affordable housing in Edmonton, offers a view into seeking clarity about actual amounts of money being put into affordable housing, highlights some aspects of the current affordable housing and the overall rental market available to Edmontonians.

This project, while it offers a look at these aspects is not all encompassing. As shown it is often difficult to find accurate information about these areas. This is due to funding amounts changing, people’s housing situations changing, and other aspects that affect the housing market. While many are aware that what is shown in the media is not a direct representation of reliable information, when a person sees regular funding announcements, updates or news stories about affordable housing it seems to create an image that there is plenty of help. When looking at the numbers available in budgets online, projects being built, the current availability of affordable housing in Edmonton, and the growing need for affordable housing, one can determine that it is not enough.

While there is support, and the municipal government has recognized and taken action to solve this city’s housing crisis, the gap between what is available and what is needed is stark. The provincial and federal governments must listen to the municipal government and invest heavily in this area. As many mortgages are coming up for renewal for Canadians this year, Edmontonians are bound to be impacted. It is possible that those who may have been enjoying home ownership may have to go back to the rental market, or use part of their home to add to the rental market to make ends meet.

With the current state of the housing market, many Edmontonians who do not have a first home will have difficulty trying to purchase one. This further increases the need for affordable rental housing. The rising cost of living of basic needs, as well as overall inflation to these and other services further place stress on the budgets of Edmontonians. While the general rule of thumb is that people should spend no more than 30% of their monthly income on rent, this seems to be mostly possible only for those who are living in affordable housing units. Those Edmontonians who are over that minimum to qualify for affordable housing are having to navigate the rental market to find an option that may be over 30% of their monthly income, or live in a unit that does not meet their size needs, or has inadequate living conditions. The need for affordable housing, while most desperately needed by those with very low or low income households is now including those who make a moderate income household of \$45,000-\$69,999/year. These factors and many others pull more Edmontonians into struggling with housing costs.

Housing is recognized as a human right by Parliament and as highlighted through this report, many are struggling to attain or maintain housing. More funding provided by the provincial and federal government is needed to help aid the housing situation in Edmonton. Additionally, transparent and easier to understand information in the media is required so that tracking down how much money there is and where it is going in regards to housing and affordable housing for the average Edmontonian is possible.



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