August 31, 2020

Affordable Housing Review Panel
Housing Division
Alberta Seniors and Housing
3rd floor 44 Capital Boulevard
10044 - 108 Street Edmonton, AB
T5J 5E6

Re: The City of Calgary Submission to the Affordable Housing Review Panel

Dear Review Panel Members:

The City of Calgary (The City) appreciates the opportunity to provide a submission accompanying this letter to the Affordable Housing Review Panel (the Panel). The accountability for ensuring all Albertans have access to affordable and appropriate housing rests firmly with the Government of Alberta, but all orders of government have an important role to play. We are pleased the panel is exploring enhanced partnerships and innovation to better meet these obligations.

The City recommends that the Government of Alberta make bold, transformative capital investments to end homelessness in Calgary by working with the Government of Canada, The City, and the many non-profits and service providers involved to fully implement the COVID-19 Community Affordable Housing Advocacy Plan appended to this letter. When implemented, it will make considerable strides towards ensuring Calgary emerges with a stronger civil society where more of our citizens can live with dignity, access opportunities to improve their lives, and contribute to our economic recovery. With significant federal funding expected, the Government of Alberta will be required to make investments to ensure these funds are not left on the table.

The opportunity exists to enable individuals to build a better life and contribute to the economy from a safe and affordable home, as well as support non-profit housing providers to build an asset base increasing their capacity to be more self-sustaining and less dependent on government support. Calgary is uniquely poised to respond to a community-level investment at this scale – and we will achieve results.

As the Panel considers the province’s role in affordable housing more broadly, including “ways we can make affordable housing even more affordable and accessible for people with low income”, The City also offers three key recommendations (along with suggested implementation strategies) that the Government of Alberta could undertake to meet its obligation to the needs of low and moderate income Albertans and transform delivery of the affordable housing system.
1. Uphold Provincial obligations for affordable housing through investment in the non-profit housing sector to ensure sustainability;
   a. Scale up the portfolios of non-profit housing providers with capital funding to build additional homes and through the transfer of viable assets at below-market values.
   b. Exempt property taxes for non-profit housing providers.
   c. Partner with The City and Federal government to streamline funding program applications.

2. Create a citizen-centric housing system; and
   a. Collaborate and align investment in supports for vulnerable Albertans across Provincial ministries.
   b. Fund the One Window Initiative to maximize the social impact of existing assets.

3. Help facilitate appropriate private sector involvement.
   a. Allow for longer term housing agreements.
   b. Increase the rent supplement program.

Each of these recommendations and suggested implementation strategies are explored in greater detail in the attached submission.

Affordable housing creates opportunity and access for families and individuals to live with dignity in great neighbourhoods, with great schools, near employment, amenities and services to support them as they access economic opportunity and move through the housing continuum. When housing is not available and accessible at the level of affordability Albertans require, our collective ability to attract and retain a skilled workforce, maintain safe communities and prevent complex social conditions including homelessness is at risk.

Prior to COVID-19 and Alberta’s sustained economic downturn over the last five years, Calgary already lagged well behind other major centres across Canada with respect to the provision of non-market housing. Provincial underfunding of affordable housing construction and operations contributed to this outcome. Only 3.6 per cent of households in Calgary are supported by non-market housing, compared to 6 per cent of households nationwide. To reach the 2016 national average for major centres, Calgary would need to add approximately 15,000 new affordable housing units while maintaining our aging non-market housing stock.¹

The need for affordable housing has remained constant at 18 per cent of Calgary households over five census cycles. The City of Calgary defines a household as in need of affordable housing if it spends 30 per cent or more of its income on shelter and earns less than 65 per cent of Calgary’s median household income. As the population grows, more than 100,000 households are forecast to be in housing need by 2025. The magnitude of growth forecast in housing need among low and moderate income Calgarians outstrips the historic rate of affordable housing supply increases, leading to a forecasted shortage of 1,700 units per year.² Furthermore, Calgary has more than 50% of Alberta’s homeless population with


almost 3,000 people experiencing homelessness on any given night. Strategically investing in a strong affordable housing system makes good economic sense. There are cost savings associated with the provision of community housing at a rate of $15/ person per day compared to $150 per person per day to meet the needs of an individual experiencing homeless.

In these extraordinary times the ability to stay home will again be a critical tool to effectively manage outbreaks and avoid a second wave of COVID-19 infections, along with the further misery and economic catastrophe that would follow. Through the work of the Panel, the Government of Alberta must re-commit to ensuring all Albertans have a home which is safe, appropriate and affordable. Funding the construction and operation of housing for low- and moderate-income households remains primarily a responsibility of Federal and Provincial governments, reflective of their relative fiscal capacity. Funded by property and business taxes to provide essential services, municipalities are limited to meaningfully address affordable housing supply challenges. Of every tax dollar collected in Calgary only $0.10 goes to The City.

The City is using every municipal lever available to us by delivering, regulating, enabling, partnering and leveraging funding to increase affordable housing through our Foundations for Home: Corporate Affordable Housing Strategy (2016-2025). The City is working toward the Strategy’s vision to enable a transformed housing system and contribute to an increase in non-market housing supply by taking actions under six key objectives: get the Calgary community building; leverage City land; design and build new City units; regenerate City-owned properties; strengthen intergovernmental partnerships; and improve the housing system.

The City directly contributes to increasing the affordable housing supply through providing fee rebates, grants, and land at below-market cost for non-profit housing development, as well as contributing funding to the development of affordable homes, in partnership with Federal and Provincial governments.

The costs of precarious housing and homelessness are high for governments and taxpayers. The use of police, EMS, emergency room, and in-patient hospital stays as well as justice and emergency shelter costs are increased in communities with an inadequate supply of safe, appropriate and affordable housing options. Further, an adequate supply of affordable housing is essential to ensure an adequate labour force in our communities. When families and individuals have a home, they have opportunity to create a foundation for individual prosperity to increase Alberta’s economic productivity.

There is an important role for the private sector to play in the development of new units and the renewal of existing units. But many local business leaders would be the first to explain that the market is not able to house everyone. The COVID-19 pandemic has underscored the need for a clear Provincial role in strengthening of Calgary’s non-market housing sector, and of civil society more broadly, to help every Albertan live a life of dignity and use that leg up to access Alberta’s economic opportunity to fulfil their potential.

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The Government of Alberta can transform affordable housing delivery by investing in the non-profit sector, creating a citizen-centric housing system and facilitating appropriate private sector involvement. Meaningfully addressing the affordable housing supply gap in Calgary of 15,000 units requires significant investment from Provincial and Federal governments. Now is the time to act: an investment in affordable housing will stimulate the real estate and construction sectors, and capitalize on the aligned commitment, favourable pricing, surplus assets and community expertise.

Thank you for the Panel for this opportunity to provide a submission.

Sincerely,

Naheed K. Nenshi
MAYOR

cc: Mickey Amery, MLA Calgary-Cross, Chair, Affordable Housing Review Panel
The Honourable Josephine Pon, Minister, Alberta Seniors and Housing
Susan Taylor, Deputy Minister, Alberta Seniors and Housing
Sarah Woodgate, Director, Calgary Housing, The City of Calgary

Encl:
1. The City of Calgary Submission to the Affordable Housing Review Panel – August 31, 2020
2. COVID-19 Community Affordable Housing Advocacy Plan