

August 31, 2020

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

Re: Calgary Housing Company Submission to the Affordable Housing Review Panel

Dear Review Panel Members,

The Affordable Housing Review Panel presents a critical venue to expedite transformation of the affordable housing system and better address the needs of low and moderate income Albertans who have been left behind. Affordable housing is an essential form of social infrastructure and demands a significant re-commitment by the Provincial government.

Calgary Housing Company (CHC) is pleased to present the attached submission outlining key opportunities for the Panel and the Government of Alberta to address -- through strong partnerships -- its obligation to ensuring all Albertans have safe, appropriate housing from which to build their lives and contribute to the economic future of Alberta. This submission represents the perspective of Alberta's largest urban affordable housing provider.

The value of affordable housing

Affordable housing is a complex and essential form of infrastructure that can provide the safety of a stable home or a springboard of opportunity to citizens experiencing an economic crisis. Affordable housing creates opportunity for families and a path to prosperity for our province. When housing is not available at the level of affordability Albertans require, our ability to attract and retain a skilled workforce, maintain safe communities and prevent complex social conditions, including homelessness, is at risk.

Strategic public investment in a strong affordable housing system makes good economic sense. The costs of precarious housing and homelessness are high for governments and for taxpayers. Housing can be provided at a rate of \$15/ person per day compared to costs of \$150/ person per day to meet the needs of someone who is homeless. The use of police, EMS, hospitals as well as justice and emergency shelter costs are increased in communities with an inadequate supply of affordable housing. Further, an adequate supply of affordable housing is essential to ensure the attraction and retention of a balanced labour force in our communities. When families and individuals have a home they have a foundation for individual prosperity and contribute to Alberta's economic productivity.

Affordable housing is a stepping stone: Each year approximately 1,500 households move out of CHC-managed properties with the majority moving into private rental housing and homeownership: 81% of existing tenants planned to move out of CHC housing into other housing in the future.

The need for affordable housing:

When considering the need for affordable housing it is imperative the Panel consider both the supply of units and factors of affordability, particularly for those on lowest incomes.

Calgary lags well behind other major centres across Canada with respect to the provision of non-market housing, due largely to decades of Provincial underfunding of non-market housing construction and operations. To reach the 2016 national average for major centres, Calgary would need to add approximately 15,000 new affordable housing units.¹ 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 increase, leading to a forecasted shortage of 1,700 units per year.² Furthermore, Calgary has more than 50% of Alberta's overall homeless population with almost 3,000 people experiencing homelessness in this city on any given night.³

Driven by a legacy of high household incomes (and, thus, the highest rates of income inequality in the nation), Calgary's housing supply differs substantially from other Canadian cities'. Fortunately, Alberta does not currently have an affordability challenge for those with average or higher incomes. Among major centres, Calgary has the highest rates of homeownership and the lowest supply of purpose-built rental, subsidized housing and co-operative housing⁴. The private rental and homeownership markets meet the needs of 78% of Calgary's households.

However, at the lowest income levels, the housing circumstance is high risk: 18% of households struggle with housing costs.⁵ This is particularly pronounced at lower income levels: 60% of those earning \$60,000/year are overspending on housing every month. Just 3.6% of Calgarians are supported by government and non-profit housing (compared to 6% in other markets across the nation).

Working Together – Roles and Responsibilities

Affordable housing requires the strong and strategic participation of each order of government as well as non-profit and private sector housing providers. Federal and Provincial governments define the housing policy and regulatory frameworks and create tools and standards which guide the operation of affordable housing by municipalities and housing providers locally. Funding the construction and operation of affordable housing for

¹ The City of Calgary 2016, *Foundations for Home – Calgary's Corporate Affordable Housing Strategy*.

² The City of Calgary 2018, *Housing Needs Assessment*.

³ 7 Cities on Housing and Homelessness 2018, *Alberta point-in-Time Homeless Count*.

⁴ The City of Calgary 2018, *Housing in Canada's Big Cities*.

⁵ The City of Calgary 2016, *Foundations for Home: Corporate Affordable Housing Strategy (2016-2025)*

low- and moderate- income households remains primarily a responsibility of Federal and Provincial governments, reflective of access to more significant revenue streams.

Mission-focused, non-profit housing providers of significant scale can be stronger, more strategic and more responsive to the needs of tenants, financial markets and funding environments thereby providing higher value for the investment in affordable housing. A strong base of publicly supported social housing provided by non-market operators is essential.

We also believe the private sector can play a more significant role, provided protections for affordability for tenants is balanced against profit drivers. As a reliable housing operator with a demonstrated history of stewarding assets owned by the Alberta Social Housing Corporation – indeed, by Albertans – we are open to innovative future partnership arrangements which could include the private sector in new ways.

The construction, maintenance and operations of affordable housing contributes significantly to local business and economic activity. In 2019, CHC contracted out \$45.3 M in services, mostly to small and medium-sized Alberta businesses.

On the private rental market side, in 2018, prior to Provincial reductions to the program, \$19.2M in rent supplements was distributed to private landlords and non-profit housing providers by CHC to meet the needs of 2,252⁶ Alberta households. Rent supplements are key to preserving much needed private rental housing and enable market units to be accessible for low income Albertans. So long as government income support benefits for people with disabilities or barriers to full employment remain inadequate to enable access to market housing, the demand for Provincially-supported rent benefits and non-market housing options will remain unmet and growing.

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.

Within the attached submission, we outline CHC's four key recommendations for the Government of Alberta:

1. Invest in maintaining existing affordable housing
2. Support new mixed-rent housing models
 - a. Support mixed-rent through operating agreements that provide adequate funding
 - b. Provide predictable capital funding for the development of new affordable housing

⁶ Following 2019/20 Budget reductions, 2020 rent supplements administered by CHC are anticipated to serve 225 fewer households (2,027 total)

- c. Exempt property taxes for non-profit housing providers
3. Provide funding for rent supplements
4. Open the Social Housing Accommodation Regulation (SHAR) to reduce red tape

Calgary has a significant need for meaningful investment in the existing stock of affordable housing concurrent with immediate grant-based investments in the creation of new units. The Province, The City and CHC share a joint purpose to make life better every day and build a model of social housing in Alberta that benefits the thousands of people we collectively serve. Calgary Housing Company is pleased to partner with the Government of Alberta to help fulfill your obligation to provide financially sustainable, well-managed affordable housing to meet the needs of low- and moderate-income Albertans.

Thank you for the opportunity to provide a submission and interview. We trust this information will assist in supporting your work to transform delivery of Alberta's affordable housing system. CHC understands the challenging circumstances faced by The Government of Alberta as it deals with the triple-threat of the largest public health crisis in a century, the biggest global contraction since the 1930s and an unprecedented collapse in oil prices, all while maintaining a focus on fiscal responsibility as a top priority.

Affordable housing is a wise economic investment and a critical support to vulnerable Albertans. By continuing to work together, we can maintain and create safe and affordable homes for Albertans who need them. If you have any questions or require further information, please feel free to contact us.

Sincerely,



Sarah Woodgate, President
Calgary Housing Company



Druh Farrell, Board Chair
Calgary Housing Company

cc.

Susan Taylor, Deputy Minister, Seniors and Housing, Government of Alberta

John Thomson, Senior Advisor, Seniors and Housing, Government of Alberta

Shawn Ewasiuk, Acting Assistant Deputy Minister, Seniors and Housing, Government of Alberta

Naheed Nenshi, Mayor, City of Calgary