

January 20, 2022

Honourable Travis Toews  
President of Treasury Board and Minister of Finance  
208 Legislature Building  
10800 – 97 Ave  
Edmonton, AB | T5J 5E6

## Re: Calgary Housing Company Budget 2022 Submission

Dear Minister Toews,

Calgary Housing Company (CHC) would like to thank the Government of Alberta for the opportunity to provide input on Budget 2022. CHC is pleased to see the province's renewed commitment as a funder of affordable housing with the release of *Stronger Foundations, Alberta's 10-year strategy to improve and expand affordable housing*. There is a tremendous opportunity for Alberta to support its most vulnerable citizens and increase economic opportunity through increased investment. Budget 2022 is critical for CHC, the province, and the sector to start mobilizing Alberta's community housing providers to advance toward the goals of *Stronger Foundations* with significant government funding.

Ensuring adequate funding for affordable housing is fiscally prudent and makes economic sense. Social housing costs government \$15/person per day and is a high value investment and cost avoidance for other provincial services. Alongside the affordable housing sector, CHC is on a transformational journey to shift to innovative housing models like mixed-rent portfolios, to meet the growing need for affordable housing and become less reliant on government funding over time. To help facilitate this shift, significant investment in housing is needed. The time to act is now: bold new investment is critically needed to support *Stronger Foundations'* bold new vision of providing safe, stable, affordable housing for an *additional* 25,000 households. CHC is a member of the Alberta Seniors and Community Housing Association (ASCHA) and endorses its recommendations (Attachment 1). In alignment with ASCHA's recommendations, CHC recommends the Government of Alberta:

- 1. Provide significant investment to preserve existing, aging affordable housing stock**, in support of *Stronger Foundation's* commitment to a 5-year maintenance and redevelopment plan. For 2022, CHC received only 30% (\$6.4M) of what is needed (\$21M) in capital maintenance and renewal funding to ensure provincially owned homes meet the Alberta Minimum Housing and Health Standards and remain open and available for Albertans. Investment is critical to keeping families and individuals housed and retaining the value of these assets. This is only a portion of what is needed long-term; the total requirement from 2022-2028 is \$77.6M. Historically, this area has been significantly underfunded. When investing in both building upgrades alongside suite renovations, CHC has been able to *double* the lifecycle of buildings for another 40 years with an investment of \$50,000 per unit vs. \$250,000 per unit to build new.
- 2. Provide a long-term multi-billion dollar affordable housing investment plan** above current provincial investments to deliver commitments made in *Stronger Foundations*. We estimate that \$3 billion of provincial investment is required over 10 years (or \$300M/year) to increase the supply of affordable mixed income homes by 25,000 units (1/3 contribution).

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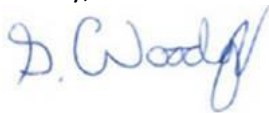
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3. **Provide capital grants for new affordable housing development and support housing providers to leverage available federal funding** to reach *Stronger Foundations'* target of building 13,000 new homes for low- and moderate-income Albertans over the next 10 years. To access federal capital investment, the province should offer a funding backstop to housing providers applying for CMHC project funding. Offering capital grants and acting as a funding backstop could unlock billions of available federal funding and support the sector's transition to innovative mixed income models, helping to reduce reliance on government subsidies over time.
4. **Increase operational funding for housing providers** to adapt and grow to meet the targets of *Stronger Foundations*. Accounting for inflation, Housing Management Bodies (HMBs) are operating with 10.8% less than they had in 2018 and face a forecast of record-high inflation for the coming year. CHC is grateful for the \$12.6M provided by the province for 2022, an increase of 5% from 2021, to offset expected revenue decreases from changes to provincial legislation (Social Housing Accommodation Regulation), increases in the Federal Carbon Tax and inflationary pressures. One specific opportunity to increase operational funding is through the elimination of property taxes, or the provision of grants in-lieu, on affordable housing properties to successfully transition homes from government owned to non-profit delivered. The City of Calgary has already provided support by exempting CHC from paying The City portion of property taxes. Eliminating provincial property taxes for community housing and seniors housing will help to remove barriers to building 13,000 new homes for low and moderate income Albertans over the next 10 years.

Housing for low income Albertans requires subsidy. This stays true for new and innovative operating models, including a mixed income model that serves low- and moderate-income households not served by the private sector. The province is primarily responsible for the funding and delivery of affordable housing for the lowest income Albertans and must continue to provide housing for those most in need.

We look forward to continuing to work closely with the Government of Alberta to ensure we can collectively retain, regenerate, and grow the number of affordable homes. This will provide low- and moderate-income Albertans the opportunity today and in the decades to come, to live with dignity and reach their highest potential.

Sincerely,

A handwritten signature in blue ink, appearing to read "S. Woodgate".

Sarah Woodgate, President  
Calgary Housing Company

A handwritten signature in blue ink, appearing to read "W. Bridge".

William Bridge, Board Chair  
Calgary Housing Company

CC:

Minister Josephine Pon, Minister of Seniors and Housing  
Athana Mentzelopoulos, Deputy Minister, Treasury Board and Finance, Government of Alberta  
Lisa Sadownik, Deputy Minister, Seniors and Housing, Government of Alberta  
David Williams, Assistant Deputy Minister, Seniors and Housing, Government of Alberta

[Attachment 1: Alberta Seniors and Community Housing \(ASCHA\) Written Submission for the Pre-Budget Consultations for the 2022 Alberta Budget](#)

# Written Submission for the Pre-Budget Consultations for the 2022 Alberta Budget

December 17, 2021



The Alberta Seniors & Community Housing Association (ASCHA) is the provincial association representing both seniors housing and community housing in Alberta. We work closely with municipalities and the Government of Alberta to ensure the growth and sustainability of the housing sector, and to truly benefit the lives of the individuals our member organizations serve. ASCHA currently represents over 100 housing providers from the public, non-profit, and private sectors, who serve over 60,000 Albertans.

This submission covers the areas that our members have indicated are of utmost importance to providing seniors and community housing to Albertans. ASCHA's recommendations support the goals for *Supporting housing and inclusive living* (sector 9) outlined in *Building Forward*, namely realizing the economic and social benefits of affordable housing, and making life better for vulnerable Albertans and seniors. ASCHA has not estimated costs for these recommendations. Costing will require incorporating government's data with the data that housing providers have submitted in their business plans and grant requests. The implementation of needs assessments and new planning processes targeted in *Stronger Foundations* will provide our sector with better data with which to generate policy solutions and plan future developments that address changing needs in Alberta.

## RECOMMENDATIONS:

**Recommendation 1: Replace legacy funding models between AHS and housing providers** that are no longer sufficient to provide appropriate care. This is an urgent, high-risk situation, members report having to spend in excess of \$200,000 a year to meet the needs and cannot continue as there are no funds. Increase health funding in all designated supportive living contracts to match the cost of living and enable appropriate staff recruitment and retention. At a minimum, staffing must match AHS as this puts the contracted provider at a significant disadvantage.

**Recommendation 2: Increase operational funding for housing providers**, supporting them to adapt and grow to meet the targets of *Stronger Foundations*. Accounting for inflation, Housing Management Bodies (HMBs) are operating with 10.8% less than they had in 2018, and face a forecast of record-high inflation for the coming year. The Lodge Assistance Program (LAP) grant must also be increased to account for year-over-year inflation now at 4-5% for food and 7-10% for non-food costs.

**Recommendation 3: Provide a significant new investment for the five-year maintenance and redevelopment plan committed to in *Stronger Foundations*** so that the existing, aging housing stock can be preserved and maintained for future generations. This is required for affordable housing, and also for seniors independent living, lodges/supportive living and designated supportive living. Maintaining and refurbishing housing properties is fiscally prudent as it comes at a fraction of the replacement cost.

**Recommendation 4: Provide multi-billion dollar capital grant funding for new construction to reach *Stronger Foundations*' target of building 13,000 new homes** for low and moderate income Albertans over the next 10 years.

**Recommendation 5: Keep Albertans safely and affordably housed by enhancing access to mental health and addictions services, and funding tenant support workers.** This could begin with a pilot that includes a mix of large and small municipalities and could be done in collaboration with Alberta Health Services (AHS), Community Social Services (CSS) and Family and Community Support Services (FCSS). The net cost of keeping people housed is more financially responsible than re-housing them.

**Recommendation 6: Increase Home Care funding and expand services to include 24/7 Home Care in congregate living settings to avoid expensive transfers or visits to higher levels of care or acute care.** If this investment is made, hundreds of thousands of dollars will be saved.

Recommendation 7: **Enable innovation and change with transition funding support for housing providers.** The eventual implementation of mixed income models will reduce the requirement for government subsidies over time.

Recommendation 8: **Leverage federal funding to build 13,000 new homes for low and moderate income Albertans by offering a funding backstop to housing providers** applying for project funding from CMHC programs, ensuring that Alberta's housing providers secure funding in proportion to Alberta's population.

Recommendation 9: **Provide grants-in-lieu of taxes to municipalities for community housing and seniors housing** that targets lower-income clients and/or has government-regulated accommodation rates. This will remove barriers to building 13,000 new homes for low and moderate income Albertans over the next 10 years.

Recommendation 10: **Increase designated supportive living accommodation fees** to align with costs of operations; and increase the supplementary accommodation benefit so all seniors can access the appropriate option. Evaluate the option of implementing means testing. Seniors housing operators have current year-over-year inflation of 4-5% for food and 7-10% for non-food costs.

Recommendation 11: **Include HMBs as eligible for long-term borrowing for housing projects through the Local Authorities Capital Financing Act**, enabling them to redevelop and expand to build 13,000 new homes for low and moderate income Albertans over the next 10 years.

Recommendation 12: **Adjust the Temporary Rental Assistance Benefit (TRAB) to reflect full re-instatement of rent supplement funding prior to the program suspension in October 2019 and offer HMBs greater flexibility to reallocate funding between TRAB and Rental Assistance Benefit (RAB).** The funding re-instatement would allow the TRAB to be extended to all regions in the province and support the province's 13,000 unit increase in rent supplement.

Recommendation 13: **Allow Nurse Practitioners to bill and support residents in supportive living** to avoid expensive transfers or visits to higher levels of care or acute care.