

Community Services Report to
Intergovernmental Affairs Committee
2020 July 23

ISC: UNRESTRICTED
IGA2020-0807

COVID-19 Community Affordable Housing Advocacy Plan

EXECUTIVE SUMMARY

This report provides a COVID-19 Community Affordable Housing Advocacy Plan to seek federal and provincial support towards ending functional homelessness and addressing key gaps in Calgary's housing system to prepare for future waves of COVID-19 while improving health outcomes for citizens and significantly enhancing the local economy.

ADMINISTRATION RECOMMENDATION:

That the Intergovernmental Affairs Committee:

1. Endorse the *COVID-19 Community Affordable Housing Advocacy Plan* including: Administration's report, attachments, and presentation; and
2. Request Mayor and Council make a submission to federal and provincial elected officials based on Attachment 1.

PREVIOUS COUNCIL DIRECTION / POLICY

Calgary Housing presented a draft of the *COVID-19 Community Affordable Housing Advocacy Plan* (the advocacy plan), to the Intergovernmental Affairs (IGA) Committee on 2020 June 18. Administration committed to report back with the advocacy plan on 2020 July 23.

BACKGROUND

Administration initiated the COVID-19 Housing Providers' Committee, including volunteer members from more than 40 representatives from the private, non-profit, and government housing sectors and participation based on open invitation. This committee was launched in consultation with the Community Housing Affordability Collective (CHAC) and focused on three priorities: 1) share experiences and practices; 2) connect providers to City community services solutions; and 3) plan a coordinated community affordable housing advocacy plan. Under community leadership, development of the advocacy plan began with research and project management support from Administration. A 2020 April 27 memo to Council provided background on the composition and purpose of the Housing Providers' Committee. A 2020 July 2 memo to Council provided an update on the advocacy plan.

Calgary's economic downturn, exacerbated by COVID-19, has amplified existing non-market housing challenges. Only 3.6% of households in Calgary are supported by non-market housing, compared to 6% of households nationwide. To reach the 2016 national average for major centres, Calgary would need to add approximately 15,000 new affordable housing units. A lack of overall rental stock and expensive rents for low-income households, relative to other major Canadian cities, adds to Calgary's supply challenge. The need for affordable housing has remained constant at 18 per cent of Calgary households over five census cycles. 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.^[1] Furthermore, Calgary has more than 50% of Alberta's

^[1] The City of Calgary, [Housing Needs Assessment 2018](#).

Community Services Report to
Intergovernmental Affairs Committee
2020 July 23

ISC: UNRESTRICTED
IGA2020-0807

COVID-19 Community Affordable Housing Advocacy Plan

homeless population with almost 3,000 people experiencing homelessness on any given night.^[2]

Emergency shelters are an important part of the community response to homelessness and, as part of the COVID-19 response, the Province and shelter operators moved quickly to create expanded shelter and isolation spaces in accordance with public health guidelines while also working to secure transitional or longer-term housing. As the potential for future waves of COVID-19 remains, we need to approach our long-standing, non-market housing challenges differently and work with a sense of urgency to ensure the most vulnerable are safely housed while also seeing that the economy is stimulated wherever possible and that communities feel vibrant and safe.

More broadly, there are anticipated short- and long-term impacts of COVID-19 on housing affordability and the economy. As an example, Canada Mortgage and Housing Corporation (CMHC) is projecting 20% of mortgage holders could miss payments, leaving a fifth of the entire country's mortgages in arrears (June 2020). CMHC's summer *2020 Housing Market Outlook Report* has forecast a sharp decline in housing starts and house prices in Calgary, before stabilizing by the end of 2022. Calgary's overall unemployment rate is higher than Canada's at 15%.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

The COVID-19 pandemic has created a three-part health, social and economic crisis highlighting the importance and need for housing as a solution to all three parts. Housing addresses the health crisis by providing safe accommodation that allows for social distancing to maintain community well-being. Housing addresses the social crisis by providing stability for vulnerable Calgarians, ending their experience of homelessness. Housing addresses the economic crisis by stimulating the private construction and real estate sectors. Increasing the non-market housing supply will help Calgary to prepare for future outbreaks. Housing for all is possible. There is an opportunity to harness post-pandemic community and political will for immediate and long-term benefit to address public health, the safety of vulnerable Calgarians and create a sustainable model of affordable housing while stimulating the economy.

The advocacy plan focuses on two streams, summarized in Attachment 1. Stream one focuses on securing housing with appropriate supports for up to 600 Calgarians exiting homelessness, helping people remain safely housed before additional COVID-19 waves. Stream two is to build, acquire and partner to stimulate the economy and strengthen the affordable housing sector through the addition of unit assets.

The Housing Providers' Committee considered the following opportunities in creating the advocacy plan: generating economic stimulus via construction of new affordable homes; repurposing vacant hotels due to decreased tourism; and capitalizing on private rental vacancy. Modular units and office conversions were briefly explored through plan development, however were not pursued due to limited local land availability and complexity regarding building condition, floorplates and leasing. These concepts could be considered in later years of the advocacy plan.

^[2] 7 Cities on Housing and Homelessness, [2018 Alberta point-in-Time Homeless Count](#).

COVID-19 Community Affordable Housing Advocacy Plan

Affordable housing is primarily a federal and provincial government responsibility. Funding advocacy asks are summarized in Table 1.

Table 1: The *COVID-19 Community Affordable Housing Advocacy Plan* federal and provincial funding requirements (millions of dollars)

| | Federal Advocacy Ask (\$) | | Provincial Advocacy Ask (\$) | |
|--|---------------------------|-----------|------------------------------|-----------|
| | Capital | Operating | Capital | Operating |
| Stream 1: Supportive housing to functionally end homelessness | 46 | 13* | | |
| Stream 2: Build, acquire and partner to stimulate economy | 290 | | 245 | 30** |

* Funding for year one support services

** Annual funding for support services in later years of the plan as supportive housing units are developed

This plan helps the Government of Canada achieve its national target to cut chronic homelessness by 50%. Evidence-based best practices demonstrate the need for support services to successfully and permanently house people experiencing homelessness.

Stakeholder Engagement, Research and Communication

The COVID-19 Housing Providers' Committee is comprised of 65 individuals from more than 40 organizations from private, non-profit, and government housing sectors, representing more than 45,000 homes in Calgary. Representatives are from organizations that serve the following sub-populations: Calgarians experiencing homelessness, senior Calgarians, Indigenous people, and families. A list of stakeholders is detailed in Attachment 2. The committee also includes organizations and associations representing non-market rental housing, homeownership, market rental landlords, builders and developers and federal and provincial government representatives. The committee met four times in April, May and June. Three drafts of the advocacy plan were circulated and reviewed through facilitated, consensus-building meetings.

In late June, a survey of providers was administered to confirm the current framing with 22 of 43 organizations responding. Some feedback on stream one reflected discomfort with the identification of supportive housing solutions for people experiencing homelessness as a discrete, immediate-term action given the depth of need across the affordable housing spectrum and with respect to specific populations, such as seniors. In response to this concern, the framing of the plan shifted from "stages" to "streams" to reflect the concurrent and inter-dependency of these solutions: success will not be achieved independently. The recommendation to call out stream one distinctly reflects the urgency of the COVID-19 threat to health for people accessing emergency homeless shelters as well as the need for ongoing case management and rent supplement funding to enable some people exiting homelessness to remain stably housed. More than 90% of survey respondents support the advocacy plan as the right pathway to COVID recovery and help address Calgary's affordable housing deficit. Engagement activities are outlined in Attachment 1.

Given the rapidly changing environment with respect to COVID-19, homelessness, affordable housing and the economy, community work on the advocacy plan will continue, engaging people of lived experience and private sector partners. The City and community will continue to

Community Services Report to
Intergovernmental Affairs Committee
2020 July 23

ISC: UNRESTRICTED
IGA2020-0807

COVID-19 Community Affordable Housing Advocacy Plan

share advocacy leadership. It will be used as a starting point for discussion with other orders of government for funding.

Strategic Alignment

This report aligns with *Foundations for Home: Calgary's Corporate Affordable Housing Strategy 2016-2025*, Objective 1: Get the Calgary community building. Further, the report aligns with A Prosperous City Council Directives to “work with other orders of government, non-profit and private sector partners to deliver programs to provide sufficient supply of affordable housing.” It also advances Municipal Development Plan objective to “ensure a choice of housing forms, tenures and affordability to accommodate the needs of current and future Calgarians and create sustainable communities.”

This report also aligns with community-led plans: *Together to Zero: Charting Calgary's Path to the End of Homelessness* and *Enough for All 2.0: Leveraging our Communities' Leadership to Tackle Poverty in Calgary*. It also aligns with the Canadian Alliance to End Homelessness' *Recovery for All* Campaign.

The advocacy plan aligns with federal and provincial housing plans. The Government of Canada's \$40B National Housing Strategy aims to cut chronic homelessness by 50%, remove 500,000 families from housing need, and build new homes by partnership. The Government of Alberta's 2020 July 9 announcement of an expert Affordable Housing Review Panel to consider innovative approaches to address system gaps, with an objective to enable government and sector partners to meet increasing demand for affordable housing.

Social, Environmental, Economic (External)

Affordable housing is foundational to individual and community well-being. Ensuring safe, adequate and affordable homes for distancing has been vital to stop the pandemic's spread. Income disruptions resulting from COVID-19 and Calgary's economic downturn, will cause turmoil across the housing spectrum. These effects are anticipated to worsen as the economic recession due to the public health crisis continues.

The *COVID-19 Community Affordable Housing Advocacy Plan* stimulates Calgary's economy through construction job creation and repurposing of stranded building assets. Ending homelessness saves public systems \$70K to \$135K per person, per year.

Strategic investments in affordable housing can mitigate potential collapse in construction, development and tourism sectors. An immediate residential construction investment of \$450M across 22 non-profit affordable housing construction projects will create 2,800 jobs. The overall economic activity generated in the region would be \$765M, and the value-added/GDP is \$355M.

Calgary has been a significant contributor to Canada's GDP growth and tax revenue and is seeking urgent federal support towards improving the city's resiliency and creating jobs. Affordable housing is Calgary's top infrastructure priority investment area. This plan will also position Calgary for future economic development and investment attraction.

COVID-19 Community Affordable Housing Advocacy Plan

Financial Capacity

Current and Future Operating Budget:

The advocacy plan does not require new City operating funding. Operating funding for supportive housing is requested from the federal and provincial governments (refer to Table 1).

Current and Future Capital Budget:

None at this time. Funding is requested from anticipated stimulus funding from federal and provincial governments. Stream two includes four new City affordable housing projects that are approved as part of the 10 Year Affordable Housing Capital Development Plan.

Risk Assessment

Successful implementation of the advocacy plan depends in part on factors outside the control of Council and Administration. As advocacy to secure investment of this scale to Calgary from other orders of government advances, more exploration may be required regarding the roles of community stakeholders, the administering of funds and competitive and transparent processes. Top risks are summarized below.

| Risk | Likelihood/ Impact | Description/Mitigation |
|--|-----------------------|---|
| Rapid COVID-19 outbreak amongst vulnerable populations with spread to broad population | Medium/ High | Ultimately, the availability of funding from other orders of government will determine if chronic homelessness can be eliminated in Calgary. The City has little financial capacity to provide capital and sustained operating funds needed to achieve this outcome. Lack of funding to complete stream one could result in a return to homelessness by those who have been temporarily accommodated and a rapid outbreak of COVID-19 for those lacking options that allow for social distancing. To mitigate this risk, we need to advance the Plan quickly, secure the funds and identify the ready proponents. |
| Calgary will miss out on investment decisions from other orders of government. | Medium/ High | Failure to align and capitalize upon community and political will and interest could risk stimulus funding allocated to other major cities with more coordinated plans in place. If this community-supported ask is not authentic, supported and advanced, there may be fracturing of voices, sub-segmentation and increased sector competition as individual asks are brought forward. The power of solidarity and unanimity of the approach may be lost due to lack of co-ordination of community resources. Mitigation: Move quickly, listen carefully, park self-interest for any one organization or entity. Move for the good of Calgarians. |
| Investment materializes at a pace or | High/ Medium | We secure some but not all of the investment (only some of the capital or operational/support dollars required) or certain approaches are not supported by other orders of government. |

Community Services Report to
Intergovernmental Affairs Committee
2020 July 23

ISC: UNRESTRICTED
IGA2020-0807

COVID-19 Community Affordable Housing Advocacy Plan

| | | |
|--|--|--|
| level which is less than identified in the advocacy plan | | Mitigation: Provide enough of a “menu” in the advocacy plan to adapt and still be better than we were. The continuing process of developing the advocacy plan has strengthened trust and transparency in the community; we will renegotiate, respond to feedback from federal and provincial partners and shift. |
|--|--|--|

REASON(S) FOR RECOMMENDATION(S):

The *COVID-19 Community Affordable Housing Advocacy Plan* is based on housing as a factor underpinning health and safety, and focused on stimulating the private construction and real estate sectors. With continued refinement from community, the advocacy plan will help to create a more resilient housing system to respond to future shocks and stresses. The advocacy plan focuses on key community priorities and seeks to align local interest with opportunities for investment identified by federal and provincial partners.

COVID-19 has galvanized the housing sector to advocate together, across the housing continuum with one voice. It has presented an opportunity for Calgary to become the first major Canadian city to end functional homelessness and build future sector resilience by leveraging community expertise, economic conditions favourable to real estate acquisition and construction, and political will.

ATTACHMENT(S)

1. Community Advocacy Plan Overview & Ask
2. Stakeholder List