

Proposed Content for Government of Alberta Budget Submission

Affordable Housing

The strain of the economic crisis has amplified existing non-market housing challenges in Calgary. More than 100,000 households are forecast to be in housing need by 2025. Over the course of the pandemic, The City collaborated with more than 40 housing sector stakeholders to facilitate the COVID-19 Community Affordable Housing Advocacy Plan for Calgary. The Plan proposes a multi-sector approach to create 5,400 new affordable homes, including supportive housing spaces, over three years.

The Plan would move Alberta towards eliminating functional homelessness and will leverage federal investment to address Calgary's supply gap. The Plan highlights the urgency of housing as a key factor underpinning individual and community health in the context of COVID-19, and focuses on: stimulating Calgary's struggling economy through the activation of stranded building assets; the immediate build of 22 shovel-ready non-profit projects; and, support for the construction, tourism development and real estate sectors. These 22 projects include The City's own pending capital request with the Ministry of Seniors and Housing.

An immediate residential construction investment of \$450M across the identified 22 non-profit affordable housing construction projects will create 2,800 jobs, with overall economic activity generated in the region of \$765M. In addition to these significant economic boosts, ending homelessness saves public systems \$70K to \$135K per person, per year. For Calgary, housing 600+ individuals who are currently homeless would result in system savings of between \$42M - \$81M per year.

An investment of **\$298.45M** into Calgary's non-market housing sector will improve the lives, and resiliency, of vulnerable Albertans. Of this, \$118.7M would be immediately invested into shovel-ready capital projects with \$150M used to increase access to housing for 3,000 Canadian families living in Calgary over the next four years. Approximately two-thirds of the 5,400 homes would not require ongoing support after the initial capital outlay.

Downtown Strategy

Downtown is the economic and cultural heart of Calgary, and when our Downtown thrives, so does the rest of the city. It's vitally important for The City and the community to invest its support in planning and creating a liveable, thriving and caring core. To help support Calgary's economic recovery, we've created a downtown strategy that brings together our civic and community partners through coordinated and collaborative work. We encourage the Government of Alberta to partner with and invest in our efforts to supporting Alberta's entrepreneurs and job creators, attracting investment, growing trade, strengthening Alberta's key sectors and ensuring Alberta has an innovative and competitive business environment. Investments in The City's Opportunity Calgary Investment Fund is one way the province

could immediately support our downtown while delivering on our shared commitment to economic diversification.

I would also like to extend an invitation to your government to appoint a representative to The City's Economic Resilience Task Force, comprised of local business leaders and other community members and charged with identifying how they and The City can support economic recovery, a task that can only be achieved in collaboration between all orders of government.

Assessment Reform & Broader Fiscal Reform

As you know, and despite our efforts to support the downtown, the massive erosion in the value of Calgary's downtown office towers has resulted in a corresponding shift in property taxes to businesses outside the downtown core. This has only been exacerbated by the COVID-19 pandemic as many office workers continue to work from home. The City has used every tool at its disposal to address this challenge, making significant reductions to our operating budget, allocating hundreds of millions of dollars to cap business tax increases, and redistributing the tax burden between homeowners and businesses.

But the real source of the problem is beyond our control. The City is therefore calling on your government to engage The City in conversations about legislative reforms to the provincial law that establishes the annual market value assessment system to ensure greater fairness, consistency and transparency for businesses and citizens. Given that the challenges facing municipalities in this province vary from place to place, we would also urge your government to consider the use of the City Charter to pursue these conversations and changes.

At the same time, we would also urge your government to engage in broader conversations about fiscal reform. The COVID-19 pandemic has exposed fundamental cracks in the intergovernmental fiscal framework. The massive operating gap created in The City of Calgary is a symptom of The City's over-reliance on a single source of revenue even while responsibilities have continued to expand. The provincial contribution to close this gap in 2020 is an important and appreciated effort, but the challenges will continue into 2021 and beyond. We can either continue to paper-over these challenges with band-aid solutions, or we can start a conversation about more meaningful change to address the root cause. We encourage the province to join us at the table with the Government of Canada in a conversation about this real reform. All three orders of government have a role to play.