

Alberta Budget 2021 and Affordable Housing Review Panel

Alberta Budget 2021: Affordable Housing Implications

On 25 February 2021, the Honourable Travis Toews, President of the Treasury Board and Minister of Finance, tabled the Government of Alberta's 2021-22 budget. Since the February 2020 budget, Alberta has faced a triple black swan event – historically low oil prices, the COVID-19 pandemic, and the global economic recession. Provincial budget 2021 budget reflects this unprecedented situation by focusing on three key themes:

- 1) Protecting Lives - through with investments in healthcare
- 2) Protecting Livelihoods – by preparing for economic recovery and
- 3) Fiscal Accountability - by “maintaining responsible spending”.

Seniors and Housing:

Capital Maintenance and Renewal Program – The 2021-22 budget reduces capital maintenance and renewal funding for affordable housing by 6 per cent, representing a continued trend of disinvestment in Affordable Housing. Provincial affordable housing operated by Calgary Housing Company (CHC) is seeing a disproportionate 60 per cent decrease in capital maintenance renewal funding. This funding is insufficient to support lifecycle projects and suite renovations to ensure that homes meet the Alberta Minimum Housing and Health Standards and homes remain open and available for Albertans. After decades of underfunding for social housing in Alberta, this is a crucial time. Social housing is aging and is at a point where investment can double the lifecycle of the homes for a fractional repair cost compared to building new.

Operating Funding - We are cautiously optimistic with the moderate 5 per cent increase in Alberta Social Housing Corporation operating funding. Over 6,000 Calgary households depend on deeply subsidized housing from provincial and federal governments, of which nearly 4,000 units are operated by CHC. This funding is vital for CHC to continue to maintain and operate social housing units that support low income Calgarians. Bold investments are needed to implement the recommendations of the Affordable Housing Review Panel to meet the growing need for affordable housing, forecast to exceed 100,000 Calgary households by 2025.

The \$16M reinstatement to the *Rental Assistance Program* is welcomed and we look forward to better understanding the program design, including depth of subsidy and target populations to ensure the housing needs of vulnerable Calgarians are met.

Capital Funding for New Affordable Units - The 2021-22 Budget contains no new funding for affordable housing development beyond what has already been committed, while the need for more affordable housing remains great. Reductions in the capital plan for affordable and specialized housing and reduced targets for creating new units in subsequent years are concerning. The City recently submitted a funding request to The Province for \$35.8M for our 10 Year Affordable Housing Capital Development Plan. This funding will support the creation of 330 new homes across 6 projects, constructed by the private sector over the next ten years. Without provincial investment in affordable housing, there will be limited opportunity to leverage federal investment in Alberta.

Government of Alberta's Affordable Housing Review Panel

In July 2020, the Government of Alberta launched the Affordable Housing Review Panel. The Panel was tasked to "identify ways to make affordable housing more efficient and effective, including examining legislation and how housing assets are funded and operated."

In August 2020, The City of Calgary, Calgary Housing Company and the Community Housing Affordability Collective each made written submissions to the Panel. The City's submission, framed by the approved advocacy goals, outlined the following the priorities for the Panel's consideration:

- Investing in the non-profit housing sector through supporting strategic growth.
- Creating a citizen-centric housing system through collaborating and aligning investment in supports for vulnerable Albertans across Provincial ministries.
- Help facilitate appropriate private sector involvement by allowing for longer term housing agreements and increasing the rent supplement program.
- Investing in maintaining existing affordable housing, supporting mixed-rent housing models and providing predictable capital for the development of new affordable housing.

Panel Recommendations:

The recommendations of the Panel were [released](#) on 11 December 2020 and all 19 recommendations outlined in the final report were accepted by the Government of Alberta. The recommendations are framed on the principles of: bold action, fairness, equity and inclusiveness, one size does not fit all, and efficiency, sustainability and financial responsibility.

A summary of the Panel's recommendations is below:

- Develop a provincial strategic plan for housing (expected summer 2021).
- Create a plan to manage and transfer provincially owned-land and buildings (plan expected fall 2021).
- Build the capacity of housing providers.
- Provide a rent subsidy for Albertans who need temporary support but are not eligible for existing programs (launched April 2021).
- Support innovative approaches to housing, such as mixed-income, mixed-use.
- Simplify processes for applicants, tenants and housing operators. (access portal phase 1 expected June 2021)

Three of the recommendations were specific to the role of municipalities. Council direction through the *Foundations for Home: Calgary's Corporate Affordable Housing Strategy* means Calgary has addressed some of the following:

- Encourage municipalities to develop local affordable housing and homelessness plans.
- Update regulations and streamline planning and approval processes for capital projects.
- More local control over prioritization to promote local solutions.