

Affordable Housing Intergovernmental Affairs Update

RECOMMENDATION:

That the Intergovernmental Affairs Committee affirm the Affordable Housing Advocacy Goals and endorse the related 2021-2022 Priorities set out in Attachment 1.

HIGHLIGHTS

- Federal capital funding opportunities and pending priority shifts provincially related to the delivery of affordable housing are each expected to emerge in summer 2021 and we must be ready to respond. Aligned to *Foundations for Home: Calgary's Corporate Affordable Housing Strategy (2016-2025)* (CAHS), notable progress has been made towards the Affordable Housing Advocacy Goals since they were established in 2018. Continued intergovernmental affairs efforts aligned with these goals and related priorities serve to improve Calgary's affordable housing system for low and moderate-income Calgarians.
- **What does this mean to Calgarians:** Affordable housing matters to Calgarians: 64% of Calgarians say they want to see more investment in affordable housing for low-income families. Success in advocacy efforts will enable the non-market housing sector to create new homes to benefit Calgarians in housing need.
- **Why does it matter?** Calgary urgently needs more affordable housing. Calgary's affordable housing strategy and related Advocacy Goals are aimed at both maintaining and increasing the affordable housing supply and have helped create an average of 300 new affordable homes annually since 2016. Calgary lags behind other major cities in terms of share of non-market housing and needs to add 15,000 such homes just to "get to average."
- Co-operation among all orders of government and community partners is crucial to achieving investments in affordable housing and improving lives of Calgarians in housing need. The Affordable Housing Advocacy Goals have proven adaptable to the shifts in the social, political and economic environments impacting affordable housing development and operations. The Advocacy Goals and 2021-2022 Priorities are strategic and broad enough to be proactive and responsive to evolving scenarios and opportunities.
- Calgary's *COVID-19 Community Affordable Housing Advocacy Plan* – approved by IGA in July 2020 – called for combined federal and provincial capital funding of \$583.3M to deliver housing for 12,000 Calgarians. This community plan, endorsed by more than 40 non-market and private sector stakeholders, is an example of how existing Advocacy Goals have enabled community leadership.
- Council received for information, on 2018 January 24, the *Affordable Housing Federal and Provincial Update*, and *2018 Affordable Housing Advocacy Goals*. Attachment 1 outlines the approved Advocacy Goals and updated 2021-2022 Priorities.
- Strategic Alignment to Council's Citizen Priorities: A prosperous city

DISCUSSION

Changing Landscape:

Calgary's Affordable Housing Advocacy Goals were established in 2018 in recognition of the city's notable shortfall in non-market housing (3.6% of total housing stock compared to 6% in most major cities, representing a deficiency of 15,000 units comparatively). Since Council's approval of *Calgary's Corporate Affordable Housing Strategy (CAHS)*, there have been two provincial government changes as well as a transition in the federal government, the latter of

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which prompted the creation of the National Housing Strategy (NHS). These changes to the political, funding and operating landscape signal the need to update the CAHS and associated actions and implementation plan, including an update to the Affordable Housing Advocacy Goals. Flowing from the strategy update, work to adjust our Advocacy Goals to better address opportunities and challenges brought on by changing positions of other governments. This work will be undertaken within the next 18 months. While we continue to deliver on the objectives and priorities of the CAHS, the previously approved Advocacy Goals provide a suitable framework for responding to emerging intergovernmental opportunities and community expectations (see Attachment 1).

Housing for all is possible. Calgary's non-market housing sector has started to move the needle on improving the affordable housing supply, delivering 1,892 new homes between 2016 and 2020 (see Attachment 2). While acknowledging the sector's collective gains, Calgary's need for affordable homes is increasing more quickly than we are building. More than 100,000 households are forecast to be in housing need by 2025 as a result of population growth. The impacts of COVID-19 and the economic downturn may bring further pressure as Calgarians experience income and housing disruptions. The need is particularly acute for people experiencing homelessness, as the hardships of the pandemic continue to threaten health and safety.

Calgary requires sustained funding and policy tools from other orders of government to flow through to our affordable housing sector. Our Advocacy Goals set a framework for continued work to enable non-market providers and secure the investments necessary to address affordable housing needs. Now is the time for Calgary's bold collective plan for reaching targets outlined in the community endorsed COVID-19 Community Affordable Housing Advocacy Plan (Attachment 3 Cover Sheet_COVID-19 Community Affordable Housing Advocacy Plan and Attachment 4 COVID-19 Community Affordable Housing Advocacy Plan and Ask).

Federal Outlook:

The most significant dollars into Calgary's housing supply in recent years have come via programs under the federal government's National Housing Strategy (NHS). Over the past three years, Administration has worked with non-market housing providers, private sector partners and Canada Mortgage and Housing Corporation (CMHC) to secure grants and lending. This includes the launch of CMHC's Rapid Housing Initiative (RHI), through which Calgary secured and flowed \$24.6M in capital funding for three non-profit projects (176 units) in December 2020. That said, 2020 RHI results for Calgary left 11 ready-projects unfunded (Attachment 5: IGA2020-0807 What We Heard_Community Feedback on Affordable Housing Advocacy). An additional \$1.5B commitment to RHI was announced in Federal Budget 2021 and continued advocacy to ensure Calgary receives an equitable share is a key priority. Given that Calgary received 2.4% of the available first-round RHI but represents 4% of the population and more than 8% of Canada's homeless population, advocacy to maximize investment from RHI is ongoing. There is risk that, if CMHC criteria and provincial and municipal approaches related to RHI do not shift, Calgary may miss out on this opportunity.

Provincial Outlook:

Continuing shifts in provincial priorities related to affordable housing require us to be nimble, reacting to opportunities and responding to challenges. Last year, our Advocacy Goals supported the successful negotiation of a new operating agreement between the Government of Alberta and the City in the *2021-2024 City-Owned Social Housing Operating Agreement* signed in 2020 July.

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Through this new agreement, with financial commitments and the transition to a social housing mixed-rent model, Calgary Housing Company will be able to make long-needed investments in repairs and maintenance to City-owned properties.

In 2020 July, the province announced an Affordable Housing Review Panel (Attachment 6 Alberta Budget and Affordable Housing Review Panel) to “identify ways to make affordable housing more efficient and effective, including examining legislation and how housing assets are funded and operated.” Provincial work is now underway to enact the 19 recommendations of the Panel, accepted in 2020 December. A new provincial strategic plan for housing is expected in summer 2021. Focus will be required on expected actions related to establishing a coordinated tenant portal and movement related to the valuation and transfer of provincially owned land and building assets (expected in fall 2021) to ensure homes for Albertans in greatest need are retained.

Consistent with the Panel recommendations, Alberta Budget 2021 included the reinstatement of \$16M to the rental assistance (rent supplement) program budget, restoring the program to Budget 2019 levels. Province-wide, the capital maintenance and renewal budget decreased by 6%, representing a continued disinvestment in the upkeep of affordable housing. Budget 2021 contained no new capital funding for affordable housing development beyond that already committed. There was also no change in funding targeted to the operation of supportive housing which enables Albertans with high needs to remain housed.

STAKEHOLDER ENGAGEMENT AND COMMUNICATION (EXTERNAL)

- Public Engagement was undertaken
- Public Communication or Engagement was not required
- Public/Stakeholders were informed
- Stakeholder or customer dialogue/relations were undertaken

Public communication and engagement was not required as part of this update report, however, Administration is closely connected with non-market housing providers and other stakeholders in our collective response to addressing the affordable housing need. Cross-corporate efforts ensure programs enable non-market housing providers in delivering new homes (see Attachment 5: What We Heard – Community Feedback on Affordable Housing Advocacy).

Council’s affirmation of the Advocacy Goals will enable Administration’s onward participation on federal and provincial advocacy issues in partnership with community and other housing influencers including: Federation of Canadian Municipalities, Canadian Housing & Renewal Association, the Alberta Big City Table, and Alberta Seniors and Community Housing Association (ASCHA). Of note, Calgary’s Community Housing Affordability Collective (CHAC) steering committee and membership is exploring alignment with ASCHA.

IMPLICATIONS

Social

Affordable housing is foundational to individual and community well-being. Income disruptions resulting from COVID-19 and Calgary’s economic downturn may exacerbate the demand for affordable housing, which pre-pandemic, was pegged at 100,000 new units by 2025.

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Environmental

New non-market affordable housing projects follow local, provincial and national environmental standards and requirements for environmental efficiency. Projects that re-use existing assets reduce impact on traffic, transportation of goods and site preparation.

Economic

Affordable housing supports economic resilience by providing homes in close proximity to employment areas and transportation networks. Affordable housing availability is an important consideration for businesses looking to locate in Calgary, and considering local workforce needs. Building affordable housing will stimulate Calgary's economy through construction job creation. Affordable housing is Calgary's top infrastructure priority investment area.

Service and Financial Implications

Existing operating funding – Base (\$0)

Ongoing advocacy related to affordable housing is resourced within the existing operating budget. If additional investment in affordable housing from other orders of government is secured, additional positions may need to be funded. If this were to be the case, Administration would bring forward a budget request at the relevant time.

RISK

Successful implementation of Calgary's affordable housing advocacy goals depends in part on factors outside the control of Council and Administration.

Risk	Likelihood/ Impact	Description/ Mitigation
Misalignment of provincial and federal priorities may hamper Calgary's ability to access capital funds for affordable housing.	High	Calgary's collective ability to access investment from other orders of government will be a key determinant in how affordable housing needs in our community are addressed. The "stacking" of intergovernmental investments is key. Lack of capital, programmatic or operational funding limits the ability to provide new affordable homes at the pace necessary to address demand. For example, CMHC criteria for RHI require investment from provincial and municipal partners. Mitigation: Continued advancement on Advocacy Goals, and identification of resources to lever investment.

ATTACHMENTS

- Affordable Housing Advocacy Goals Priorities 2021-22
- Affordable Housing Development Monitor 202104 Public Infographic
- Cover Sheet COVID-19 Community Affordable Housing Advocacy Plan
- COVID-19 Community Advocacy Plan Overview and Ask
- What We Heard Community Feedback on Affordable Housing Advocacy
- Alberta Budget and Affordable Housing Review Panel

Department Circulation

General Manager	Department	Approve/Consult/Inform
Chris Arthurs	Deputy City Manager	Inform