

What We Heard:

Community Feedback on Affordable Housing Advocacy

In response to advocacy from The City and the Federation of Canadian Municipalities, Canada Mortgage and Housing Corporation (CMHC) launched the Rapid Housing Initiative (RHI) in 2020 October to create new homes for those in severe housing need and stimulate the economy. With Council approval in December 2020, the City confirmed capital funding for three non-market projects delivering 176 units to be funded under the RHI Major Cities stream for a total of \$24.6M.

The City submitted two additional projects and community housing providers also directly submitted nine projects to CMHC through the Projects Stream, for a total of 11 Calgary Project Stream applications, none of which were supported by the RHI program. The points below are a summary of what we have heard from community interactions with housing providers, including an 18 March 2021 meeting of approximately 40 Calgary housing providers organized by Administration to debrief and discuss onward collective action.

Community Feedback on Affordable Housing Advocacy in Relation to RHI

- **Continued joint advocacy and shared voice** will be important to bring transformational investment to Calgary. Continued advocacy efforts (province, federal) is necessary, as is determining how the community of providers and The City could adjust to the same criteria for RHI Round 2.
 - Key insights:
 - Financial participation from municipalities and/or provinces was a precondition of RHI investment success across the country, highlighting the negative impact that limited bi-lateral participation in Alberta had on Calgary's RHI results.
 - As a community of providers, community collaboration is essential. Providers need to avoid competing against each other and thereby driving up costs and undermining the residents that we all want to serve.
- **Praise for City Support:** Housing providers expressed strong praise for City programs and support from City departments in considering or pursuing an RHI opportunity. This included gratitude for:
 - City programs such as the Housing Incentive Program pre-development grants and fee rebates;
 - Expedited pre-application, land use and planning reviews;
 - City departments supporting RHI applications included Law, Planning and Development, Real Estate and Development Services, Finance and Risk, Calgary Neighbourhoods and Calgary Housing
 - Providers had mixed responses to feeling supported by CMHC and the province in their RHI applications.
- **Advocacy to CMHC concerning criteria in future rounds of RHI is needed** due to the gaps in the program identified in Round 1. These gaps include:
 - *Burden of risk is on non-profits* - RHI applications required a considerable amount of investment from non-profits.
 - *Many parts of the housing continuum were shut out* of the RHI opportunity due to the program criteria related to building form (modular, non-residential conversions and reclamation of closed units).
 - *Exclusion of mixed-market housing* is short sighted and prevents growth in the non-market housing sector, as well as perpetuating a system that requires reliance on government funding.
 - *Program requirement for operating and support funding commitments* should only be necessary for serving people with high levels of acuity.
 - *Criteria encourages poor value per unit* by requiring very specific construction models that are not necessarily what is needed or best in the Calgary context (i.e. vacant market housing units were ineligible).
 - *The economic conditions in each city* were not taken into consideration.

- **RHI passed the risk to Cities:** A significant driver the design of the RHI program was CMHC's "need for speed" and need to mitigate the underwriting risks inherent in its other funding programs. Within the Major Cities Stream, municipalities agreed to annual attestation for the success of the projects. The expectation for operating costs was another strategy to mitigate risk.
- **Beyond RHI, other forms of housing investment from CMHC and the province remains essential.** The volume of applications to RHI was indicative of providers' nimbleness and readiness to respond quickly to opportunities. CMHC and the province must focus on enhancing funding opportunities to ensure speed of delivery, value for taxpayers and investment in affordable housing across the continuum.