2016 Investment Package for Affordable Housing
Prepared by Calgary Housing

Background

The items recommended are aligned to the key strategies for economic resiliency and can be quickly implemented with positive impact for industry and non-profits within City jurisdiction related to housing. The aim is to:

- support an increased supply of affordable housing;

- provide jobs and infrastructure investment during the economic downturn;

- build capacity in community to provide affordable housing;

- off-set the financial impacts of the recently improved redevelopment levy on housing providers;

- support to the partners in the RESOLVE campaign towards shovel readiness for their projects; and

- enable community providers to leverage federal and provincial dollars through additional local funding.

The items are not focussed on funding for any one specific agency, but rather are applicable to a wide range of agencies across Calgary.

Action		Investment	Economic Strategy	Benefits	Priority
Action 1 (OLSH, PDA)	Initiate the Affordable Housing Development Financial Incentive program to support an increased supply of affordable housing in Calgary.	$6.9 M	#1 #4 #5	Construction jobs Increase housing supply	Short Term Long Term
Action 2 (CNS, CHC)	Coordinate housing applications across all housing providers.	$0.5 M	#1, #2, #5	Improve match between client and housing + supports.	Medium Term
	Total	**$7.4 M**			

Action 1: Initiate the Affordable Housing Development Financial Incentive program to support an increased supply of affordable housing in Calgary.

Investment: $6.9 million to offset fees associated with non-market housing development in 2016-2017.

Description: Initiate The City of Calgary Affordable Housing Development Financial Incentive program to cover the cost of pre-development activities, development permit fees, re-development levies, demolition permits, building permit fees and other related fees for new units or the regeneration of existing units.

Eligibility would be limited to development projects for agencies that provide non-market affordable housing or for projects initiated by organizations that have demonstrated contribution towards permanent affordable housing solutions. A recent informal survey of housing agencies revealed there are 19 projects currently in various stages of development ranging from detailed design work to concluding the RESOLVE fundraising campaign. We anticipate at least eight projects would be in a position to take advantage of this funding.

The purpose of project pre-development funding (PDF) is to enable organizations that have little access to other capital to assess the viability of venturing into a housing project. The pre-development funding (PDF) would cover preliminary drawings, engineering, site plans and the like which need to be completed before an application, capital campaign or financing can be considered. There would be a cap on the funding available and the applicant must show they are either not eligible for the CMHC PDF program or they have exhausted the funds available through CMHC. The project must have a reasonable chance of moving forward.

Rationale: This investment will support affordable housing development and the regeneration of aging assets in Calgary. Reduced costs will allow affordable housing projects to move forward sooner and hence support job creation in Calgary, reduce the impact of re-development levies, and support the increased supply of safe affordable housing. Successful recipients of this grant are eligible to also receive enhanced support on development applications through The City.

There are several projects very close to being ready to go except for a shortfall in funding. The development fee grants have the potential to attract matched funding from donors.

Recent research from Toronto Community Housing[1] has demonstrated that affordable housing projects have all the same stimulus impacts (i.e. GDP contribution, community revitalization, employment, tax revenues), as any other infrastructure project PLUS additional community, health outcomes (i.e. reduced crime, health care utilization, and social assistance).

Benefits: The additional financial support will enable these projects to move forward sooner creating construction jobs in the near-term while simultaneously increasing the affordable housing supply to help those greatest in need sooner.

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[1] *Socio-Economic Analysis: Value of the Toronto Community Housing's 10-Year Capital Investment Plan and Revitalization*, Canadian Centre for Economic Analysis, March 2015.

PFC2016-0081 2016 Investment Package for Affordable Housing Att2
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Action 2: Coordinate housing applications across all housing providers.

Investment: Up to $500,000 total investment over 2016 and 2017

Description: The recommendations in the *Enough for All* poverty reduction strategy highlight the need for a coordinated registry service that would serve all populations seeking non-market housing. There is an opportunity to determine how this might work and what would be required for implementation. From CHC's perspective, a fully integrated and automated system will not be possible for several years due to existing IT limitations but with this research an interim solution could be developed. This has community support and was developed by the Calgary Housing Affordability Collective and presented to the Priorities and Finance Committee as part of the 2015 December 15 PFC2015-0939 report.

This funding would provide sufficient resources to understand the current issues, how to address the challenges (e.g. privacy, records management, FOIP, accessibility, etc.), assess the ways in which a cross-sector application process could be managed, make recommendations, and pilot a segment of the full initiative and address implementation challenges.

Once the system is fully implemented it is anticipated the combined wait lists will not have any duplication and applicants will have improved outcomes as a result of being more appropriately placed in housing with the right supports. The experience of the applicant will be improved as they will only have to complete one application for housing.

This project will generate an understanding of the functional requirements for a fully automated system once the IT supports are in place. It is expected that the pilot phase will demonstrate tenant and agency benefits. Future full implementation will reduce administrative costs across the housing spectrum through pre-screening and referrals. Improved tenant outcomes will be realized as a result of better placement and supports.

Rationale: "Research consistently demonstrates the importance of affordable and appropriate housing for health and well-being. ...The Calgary Poverty Reduction Initiative proposes to enhance access to affordable housing through ...Central housing registry."[2] An outcome of the Enough for All strategy is that Calgarians only need to tell their story once to access appropriate services.

CHC's list of qualified applicants continues to grow in response to the economic downturn. The current list is 3700, up by 250 from last year. Other housing providers have vacant units which provides CHC and other housing providers with an opportunity to work together to find appropriate accommodation for some of the people on the CHC waitlist. Furthermore, by partnering with other agencies the duplications between the different wait lists can be eliminate providing an improved understanding of the number of Calgarians in core need of housing.

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[2] *Enough for All: Unleashing Our Communities' Resources to Drive Down Poverty in Calgary*, Final Report of the Calgary Poverty Reduction Initiative, Volume 1, section 4.3.3, p10 May 2013

Benefits: This will enable us to generate an understanding of the functional requirements for a fully automated system and to be able to identify potential solutions that would address the barriers to success - such as variable information needs, privacy (FOIP) issues, technology, and to develop an interim system that can be tested by volunteer agencies.

The objective is to create and test an interim system with some or all of the non-market housing agencies that would create operational efficiencies and improve the appropriateness of the housing and supports provided to individuals in need.