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Risk Identification

Government of Alberta Affordable Housing Strategy

Implementation of the provincial strategy and related improvements to Calgary’s affordable housing situation will ultimately depend on factors outside the control of Council and Administration.

Risk	Likelihood/ Impact	Description/ Mitigation
Lack of Provincial Funding Commitment	High	<p>Without a clear and adequately provisioned investment plan, the actions and targets in the Strategy cannot be achieved, which potentially could cause a loss of thousands of affordable homes serving low income Albertans.</p> <p>Mitigation: Spur collective provincial-wide messaging to the province to made appropriate investments in affordable housing.</p>
Misalignment of provincial and federal priorities may hamper Calgary’s ability to access capital funds for affordable housing.	High	<p>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. Limited of capital, programmatic or operational funding from the Government of Alberta in recent years limits the ability to provide new affordable homes at the pace necessary to address demand. For example, Canada Mortgage and Housing Corporation (CMHC) criteria for the Rapid Housing Initiative (RHI) and Co-investment Funding require investment from provincial and municipal partners.</p> <p>Mitigation: Continued advancement on Advocacy Goals, and identification of resources to lever investment. And ensure Federal government and national advocacy partners are aware of the potential impacts of misalignment for Calgary.</p>
Privatization through Asset Transfer	High	<p>If the method of disposition is not conducted through a fair, transparent process with a focus on creating long term public value it will not serve the lowest income Albertans and ensure social housing supply is maintained for future generations of Albertans.</p> <p>Mitigation: Collaborate with the GoA to influence implementation of the strategy, encourage transparency in the process, with the aim of growing a supply of housing for low income households, and in addition those in moderate need and affordable market or near-market housing through mixed market model housing solutions. The City will work with other municipalities and partners, so as to increase its impact.</p>

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<p>Province will divest itself of 4,642 homes in Calgary, including 900 homes on City leased land that are in need of significant repair.</p>	<p>Medium</p>	<p>The province owns approximately 137 properties representing 4,642 units in Calgary. How potential asset transfer will effect these units are unclear. Ensuring long term public benefit that socially supported housing is maintained, regenerated and grows is essential. Additionally, 900 provincially owned homes on City-owned land that are leased to the GoA and that could be subject to an early provincial asset transfer. The provincial leases on City owned land will expire in 2032/33 at which point the units will again be the sole responsibility of the City. The deferred maintenance on these homes is estimated at \$55 million.</p> <p>Mitigation: Work towards an operating agreement similar to the one achieved in In 2020 where The City and the GoA entered into an operating agreement to transition 1,000 City-owned social housing units to a mixed income social housing model that will have less reliance on government funding, over time that is grant based vs operating deficit based.</p>
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Risks specific to Bill 78

<p>Broad Powers Enabled through Bill 78</p>	<p>High</p>	<p>Potential to disinvest in housing available for low-income households in Alberta, and the private sale of public infrastructure.</p> <p>Mitigation: Spur collective provincial-wide messaging to the province to ensure non-profit housing operators are prioritized in asset transfer.</p>
<p>Rent Supplements</p>	<p>High</p>	<p>While an effective tool, if a mix of deep and narrow subsidy rent supplements are not available, there is a risk that the highest in need will not be served.</p> <p>Mitigation: Work with other municipalities and partners to spur collective provincial-wide messaging to the province to ensure rent supplements are accessible to the lowest income Albertans who are in the greatest need. To be sustainable, rent supplements require ongoing investment with annually escalated budgets that account for inflation/rental rates. This allows the supplements to serve the same number of households over time and ensure low income households pay no more than 30% of their income on rent. Rent supplements a demand side measure are an important tool for affordable housing needs however supply side measures are also required including social infrastructure in perpetuity.</p>

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Political Uncertainty	High	<p>If there is a change in government after the next provincial election (May 2023), there is a possibility that this Strategy would be shelved.</p> <p>Mitigation: Continued advancement on Advocacy Goals, and identification of resources to lever investment at the federal level to advance the potential benefits of this strategy.</p>
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Risks Specific to the Housing Accelerator Fund

Potential for Calgary to not receive funding from the new program	Low	<p>The activities recommended in this report are highly unlikely to create risk to The City. There is a risk that the activities will not result in the intended outcome for The City and that Calgary will not receive a proportionately fair share of funding under the HAF or the program has unintended negative consequences to housing markets in Calgary.</p> <p>The proposed recommendations are intended to mitigate this risk.</p>
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