

## Definition of Affordable Housing and Calgary’s Housing Need

### Definitions of Affordable Housing

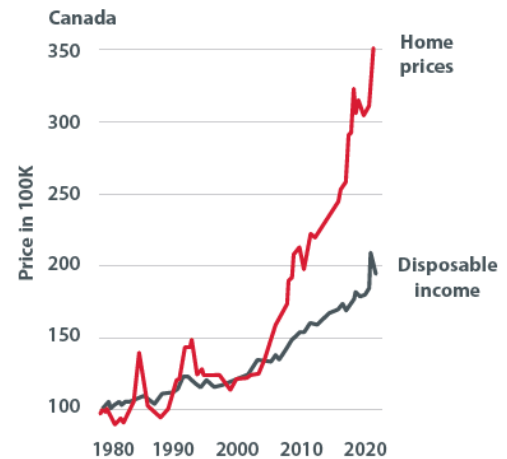
**Affordable housing:** According to Canada Mortgage and Housing Corporation, housing is considered to be affordable when a household spends less than 30% of its pre-tax income on adequate shelter. The City of Calgary defines affordable housing more narrowly as housing for people who, because of financial or other circumstances, need assistance to cover their housing costs. It may take a number of forms on the housing spectrum, from non-market rental units to attainable homeownership. In order to exclude discretionary overspending, The City targets affordable housing to households earning 65% or less of the Calgary area median income.

**Affordable housing need:** A household is in need of affordable housing when it earns less than 65% of the Calgary area median income and spends more than 30% of its gross income on shelter costs.

**Non-market housing:** Rental or for-sale housing provided for income groups not served by the private market. It is typically made affordable through public and/or non-profit ownership of housing units, or through rent supplements that allow low-income households to access housing in the private market.

**Social housing:** Social housing refers to a set of programs designed by the federal and provincial governments, in which non-market units are provided for low-income households. In regulated social housing units, rent is geared to 30% of the tenant’s household income with a minimum required payment of \$120 per month. As currently structured, this model is supported by ongoing deep subsidies from the federal and provincial governments.

Affordable housing **helps** families and individuals by **increasing disposable income**, which helps our local economy thrive.



Adrienne Mack & Enrique Martinez-Garcia, 2011. "A cross-country quarterly database of real house prices: a methodological note," Globalization Institute Working Papers 99, Federal Reserve Bank of Dallas



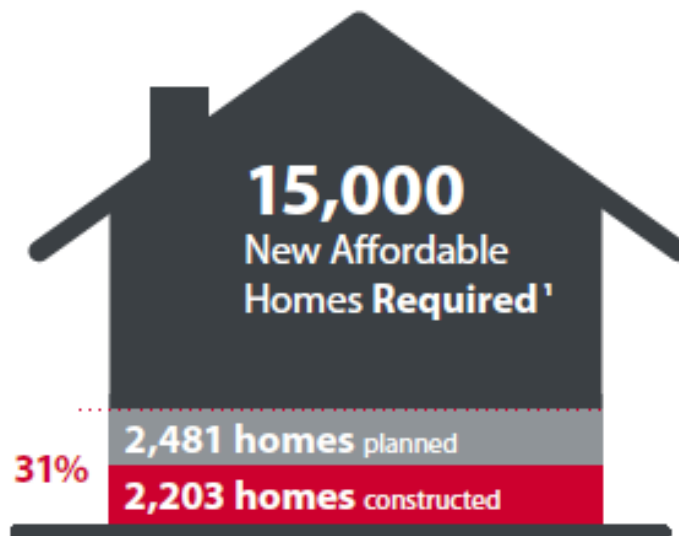
A healthy supply of housing across the housing continuum ensures that Calgarians can rely on housing that fits their budget and life circumstances.

**Supportive care housing:** Housing that provides case management and supports to individuals and families with special needs to achieve housing stability and independence. While there is no maximum length of stay in supportive housing, these programs may aim to eventually transition clients out of the program to less intensive community-based services, or may constitute long-term permanent housing, depending on the program goals and population served.

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### **What Is the need for affordable housing In Calgary?**

- In Calgary, persistent affordable housing challenges are most acute for those on the lowest incomes who are spending more than 30 per cent of their income on shelter costs. Currently, these include more than 81,000 Calgary households.
- Calgary has a deficit of non-market rentals housing (government or non-profit owned or operated) relative to other major markets (3.6% of all units vs. 6% of all units on average in other major cities).
- The need for affordable housing in Calgary is exacerbated due to our small supply of market rental housing compared with other big cities. Calgary would need to double the rental housing supply to be average with other big cities.



*1 As of 2016, 15,000 new affordable housing units were required in order for Calgary to have the same proportion of affordable housing as other major Canadian cities.*

- Calgary's currently inadequate supply of non-market housing could be further exacerbated as the city's population grows. In this case, there is potential for an increase in the number of Calgarians in core housing need or experiencing homelessness.
- Calgary needs to create 2,000-2,500 new non-market homes each year to meet the growing need. Since the approval of Calgary's Corporate Affordable Housing Strategy, *Foundations for Home*, 17.5% of the entire non-market inventory has been constructed or acquired between 2016 and 2021, adding some 3,506 units (out of a city-wide total of 20,905 units).

### **What is The City's role in affordable housing?**

- In Calgary, our focus is on providing housing to low- and moderate-income households where the market is unable to provide it.
- Non-profit housing providers have the expertise and capacity to deliver new homes: predictable, grant-based funding from other levels of government (in addition to low cost lending) is essential. Mixed-income housing that supports low-and moderate-income households not served in the private market is a key point of The City's affordable housing strategy.



# Calgary's Affordable Housing snapshot

Everyone deserves a safe and stable place to call home, but not everyone can afford one.

**81,000 or nearly 1 in 5 households** are struggling to pay for shelter costs



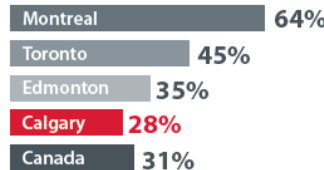
**Over 44,000 households** at risk of becoming homeless due to spending more than 50 per cent of income on shelter costs

More than **2,900** Calgarians are homeless



According to The City's **definition of affordable housing**, a household is in need of affordable housing when it earns less than 65% of Calgary's media income and spends more than 30 per cent of gross income on shelter costs

## Percentage rental



Calgary's lowest market **rental rates** are among the **highest in Canada**, and the supply is limited

Income needed to afford average rent for a two-bedroom apartment in Calgary

**\$45,000**

Approximately **19%** of households do not have sufficient income to afford an average rental apartment in the market



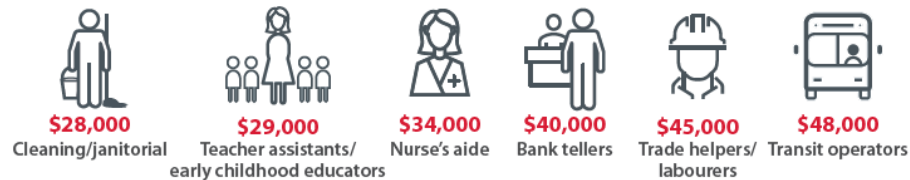
**56%** of homes in Calgary are owner occupied single-family homes



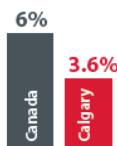
**63%** Calgary households with insufficient income to buy a single-family house

## Who does affordable housing support?

Affordable housing supports people in varying circumstances. People in the following professions, earning a single income, may benefit from affordable housing.



Only 3.6 per cent of all housing in Calgary is non-market housing; this is nearly half the national average in urban centres



The **need** for non-market housing is **growing faster than the supply**



**80%** of non-market units are over 25 years old

## Affordable housing helps everyone

Affordable housing supports people of all ages, family compositions and demographics. People in affordable housing have greater chances to:

- Find and keep jobs
- Learn and build skills
- Be active participants in their communities



Keeping vulnerable residents off the streets reduces demand and pressure on emergency services, hospitals and correction facilities. Providing housing for one homeless person has been shown to save taxpayers **\$34,000** annually

Every billion dollars invested in housing grows Canada's economy by

**\$1.4 billion**  
and generates up to  
**13,000**  
indirect and direct jobs

15

16

## What is The City doing to meet the ongoing need for affordable housing

In 2016, Council adopted The City of Calgary's Corporate Affordable Housing Strategy – Foundations for Home, which includes six key objectives over the next ten years:

**Objective #1**  
Get the Calgary community building



**Objective #3**  
Design and build new City units



**Objective #5**  
Strengthen intergovernmental partnerships



**Objective #2**  
Leverage City land



**Objective #4**  
Regenerate City-owned properties

**Objective #6**  
Improve the housing system



From 2016-2018, The City will build  
**160 new units**  
and support the development of  
**1,500**  
units by other housing providers



Affordable housing isn't just about building homes – it's about **building families and community**, and making Calgary a great place to live for all citizens

For more information or to find out how you can get involved, visit [calgary.ca/affordablehousing](http://calgary.ca/affordablehousing)



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**Statistics in graphic:**

<sup>1</sup> Housing Needs Assessment, 2018

<sup>2</sup> Housing Needs Assessment, 2018

<sup>3</sup> Point-In-Time Homeless Count, 2017

<sup>4</sup> Housing in Canada's Big Cities, 2018

<sup>5</sup> Housing in Calgary: An Inventory of Housing Supply, 2015/2016

<sup>6</sup> CMHC Rental Market Report, 2016

<sup>7</sup> Housing in Calgary: An Inventory of Housing Supply, 2015/2016

<sup>8</sup> Housing Needs Assessment, 2018

<sup>9</sup> Housing in Calgary: An Inventory of Housing Supply, 2015/2016

<sup>10</sup> Housing in Calgary: An Inventory of Housing Supply, 2015/2016

<sup>11</sup> List of occupations collected from occinfo.alis.alberta.ca

<sup>12</sup> Housing in Calgary: An Inventory of Housing Supply, 2015/2016

<sup>13</sup> Housing Needs Assessment, 2018

<sup>14</sup> Housing in Calgary: An Inventory of Housing Supply, 2015/2016 and Housing Needs Assessment 2018

<sup>15</sup> Federation of Canadian Municipalities. Cities and Communities: Rising to the

Moment. FCM Federal Budget Submission. February 2016.

<sup>16</sup> Calgary Homeless Foundation. Calgary's Updated Plan to End Homelessness. March 2015.