

Affordable Housing

Led by: Calgary Housing

Description:

Great cities are places where everyone can afford to live and work. Affordable housing is a critical component of our great city and a vital contributor to our citizens' successes, making Calgary's communities affordable, inclusive and accessible for all. The Affordable Housing service improves outcomes for individuals and families by transforming the housing system through stakeholder collaboration, and contributing to increase the non-market housing supply by using every municipal lever to fund, develop, enable, partner and leverage. The service also provides 2,433 City-owned non-market homes for low and moderate income Calgarians, helping to prevent and reduce poverty in Calgary.

Customers:

- Low and moderate income Calgarians who apply for affordable housing (e.g., seniors, Indigenous people and families);
- Non-profit housing providers;
- Non-profit agencies; and,
- Affordable housing residents

What is delivered to customers:

- New and regenerated City affordable homes;
- City land at below-market cost to scale-up non-profit operations;
- Prioritized planning service, and incentives for affordable housing development; and,
- Programs delivered by The City and non-profit agencies to improve outcomes for affordable housing residents.

Partners:

- Calgary Housing Company to operate City-owned affordable housing;
- Silvera for Seniors to provide seniors lodge housing;
- Community Housing Affordability Collective to create systemic changes in affordable housing delivery;
- Non-profit housing providers and private developers to develop affordable housing; and,
- Provincial and federal governments to collaborate on affordable housing opportunities.

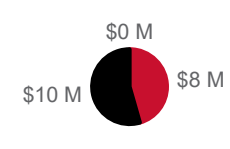

Service need (value proposition):

Affordable housing is foundational to community prosperity by: creating local jobs; strengthening residents' purchasing power; attracting employers with a stable workforce; and reducing demand for emergency services, saving \$34,000 per homeless person housed.

The private housing market meets the needs of 78% of Calgary's households. Of those remaining, 3.6% are supported by government and non-profits, but 18% struggle with housing costs. Housing is especially unaffordable for low income earners, including Indigenous people, newcomers, people with disabilities, lone parent households and seniors. In 2016 60% of Calgarians and 66% of Indigenous people earning less than \$60,000 annually spent over 30% of income on shelter.

Addressing this need requires collective action. City investment is vital for the sector to leverage and stack federal and provincial funds to increase housing supply.

Current state service value

<p>15,000 New non-market homes, 10yr sector target</p> <p>53,000 Calgary households in core housing need</p>	<p>2,249 New non-market homes created 2016-2018</p> <p>777 Subsidized supportive homes for seniors</p>	<p>2018 Budgeted Gross Operating Expenditures Funding Breakdown (\$ Millions)*</p>  <p>\$10 Annual Municipal Operating Cost per Calgarian to Deliver Affordable Housing</p> <p><small>*Gross operating budget and the service cost ratio may include internal recoveries that are also included in other services gross operating budget. The pie chart includes Provincial funding that flows to Calgary Housing Company, while the Service Ratio does not.</small></p>
<p>Connections to Citizen Priorities</p> 		<p>What the service includes (\$000s)</p> <ul style="list-style-type: none"> •Corporate Affordable Housing Strategy Implementation \$11,246 (\$4,538 base/debt servicing/reserve and \$6,708 one-time); •Silvera for Seniors Lodge Program (mandated by the Alberta Housing Act) - provides supportive housing for low income seniors in lodges in Calgary \$1,399 (\$1,365 Civic Partners and \$34 Calgary Neighbourhoods); •Cost to offset City-owned affordable housing operated by Calgary Housing Company \$542.
		<p>Key Capital Investments</p> <p>Projects to increase affordable housing supply, including: critical lifecycle maintenance programs, development of new and redevelopment of existing City properties and capital requirements as per the Alberta Housing Act for Silvera for Seniors.</p>



What we've heard and service outlook

What we heard: Research & Engagement Results

In the 2018 Citizen Satisfaction Spring Pulse Survey, affordable housing was Calgarians' top priority for investment, with 93% of residents urging The City to invest the same or more. 95% of Calgarians indicated that affordable housing for low-income families and individuals was important. With an increased operating budget, Affordable Housing can meet citizen priorities by using every municipal lever to improve the housing system and contribute to increased affordable housing supply.

What Council has directed

Affordable Housing delivers the Corporate Affordable Housing Strategy and aligns with and contributes to the Enough for All Strategy, the Senior Age-Friendly Strategy and the citizen priority 'A Prosperous City,' making Calgary a place with opportunity for all where everyone can afford to live and work. The service develops, delivers programs and partners with other orders of government, nonprofit organizations and businesses to provide equitable access to and sufficient supply of affordable housing (P4, P5); advocates and engages other orders of government to meet Calgary's affordable housing needs (P5); maintains the safety and quality of existing City affordable housing (P5); ensures Calgary's neighbourhoods are inclusive and housing affordability is maintained as the city grows (N1, N5); and streamlines City planning processes and approvals for affordable housing development (W2).

What are we watching

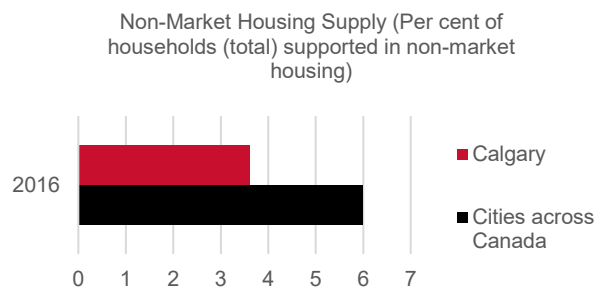
New funding opportunities: In 2017 the provincial and federal governments identified affordable housing as a top priority by announcing strategies with significant funding, including funding targeted for off-reserve Indigenous housing.

Condition of existing affordable housing supply: The City and other housing providers face aging properties, outdated programs, and expiring operating funding agreements.

Increasing need; Rate of core housing need in Calgary grew fastest (26%) among Canada's eight largest cities (average 3.4%) between 2006-2016. Calgary's low income rates have not changed significantly since 2006. In 2016, there were 121,990 Calgarians classified as low income.

Changing demographics: Calgary's Indigenous population grew by 35% between 2006-2016. Calgary's senior population is growing and by 2036, nearly one in five Calgarians will be a senior (estimated).

Benchmarking



Source: Housing in Calgary: An inventory of housing supply, 2015/2016 (City of Calgary); Building From the Ground Up, March 2010 (The Conference Board of Canada) -Report cites Wellesley Institute National Housing Report Card, 2008

Only 3.6% (total) of households in Calgary are supported by non-market housing, compared to 6% (total) of households nationwide. To reach the 2016 national average Calgary would need to add approximately 15,000 new affordable housing units. A lack of overall rental stock and expensive rents for low-income households, relative to other major Canadian cities, adds to Calgary's supply challenge. The City is using every municipal lever to address the affordable housing supply deficit and improve outcomes for affordable housing residents through collaboration and housing system transformation.

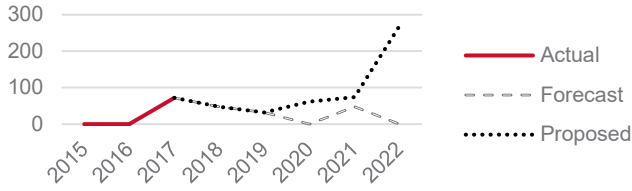
What matters to Calgarians

VALUE DIMENSION	DESCRIPTION
Affordability	Public, private, non-profit partners, and The City build new affordable homes for low and moderate income Calgarians
Safety	City-owned affordable housing is safe, secure and well maintained
Availability	The City partners to provide incentives and scales up non-profits to build new affordable homes faster and easier
Prevention	The City enables and facilitates partnerships to support affordable housing residents to achieve their highest potential
Accessibility	The City and partners collaborate on housing programs and services that support tenants and are clear and easy to find



How is the Service performing? Where we are headed and where do we want to go?

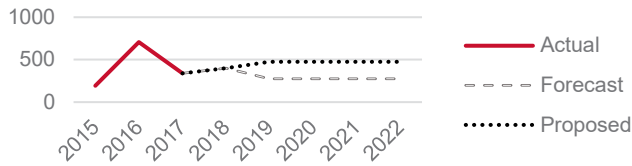
New City owned affordable homes developed through leveraged federal or provincial funding (number of homes opened)



Story behind the curve

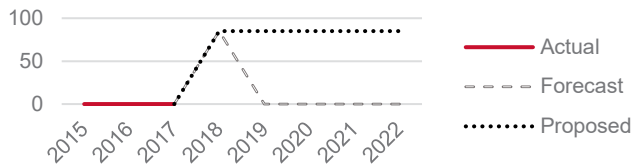
Affordable Housing's base operating budget increase allows continued implementation of the Corporate Affordable Housing Strategy, turning the curve for performance measures by: supporting and scaling up the non-market housing sector; developing, regenerating and repairing City-owned affordable housing; leveraging significant provincial and federal government funding and strategy commitments; improving the well-being of residents; and supporting cross-sector collaboration to improve the housing system.

New affordable homes planned for development by other non-market housing providers that are supported through City initiatives (number of homes counted at development permit approval)



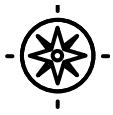
New City affordable homes: With increased investment to continue support of The City's affordable housing capital development program, 437 homes will be delivered (2019-22) which include: 187 new homes, 196 redeveloped homes and 54 homes acquired through land sales by leveraging \$0.70 of provincial and federal funding on the dollar; without this investment, only 80 homes total would be built.

Satisfaction with Home Program activities to improve self-sufficiency and community well-being for affordable housing residents (per cent of surveyed respondents satisfied)



New non-profit affordable homes: Increased investment supports the continuation of the Housing Incentive Program, which covers pre-development costs and rebates City fees for affordable housing, and the City's land program, which disposes land at below market cost to non-profit housing providers. These programs support the sector to deliver 1,900 homes (2019-22), almost double than without these programs.

Improved resident outcomes: The City's Home Program partners with non-profit organizations to impact the demand side of affordable housing and support affordable housing residents toward greater self-sufficiency and community well-being. A 2018 interim third-party evaluation of the program found early success in increasing housing stability, improving financial competency, enabling access to community well-being services, and empowering residents to lead. Increased investment allows for continuation of the Home Program, with 85% of customers satisfied with programs.



What do we propose to do?

What we propose to continue doing

STRATEGY
Get the Calgary community building by providing incentives and expediting approvals for the development of affordable homes.
Leverage City land to support non-profit housing providers to build assets, increase operational capacity and develop more affordable homes.
Leverage provincial/federal funding to design and build City affordable homes by implementing the 10 Year Affordable Housing Capital Program.
Regenerate and maintain City-owned affordable housing to ensure the health and safety of residents.
Strengthen intergovernmental partnerships to collaborate with and engage other orders of government in affordable housing needs for Calgary.
Improve the housing system by supporting affordable housing residents' well-being and the Community Housing Affordability Collective.
Research, collect and analyze affordable housing data to inform policy, advocacy and decision-making.

Why?

By implementing the Corporate Affordable Housing Strategy, we deliver on Council's directive to partner, support and contribute to sufficient supply of affordable housing; positioning The City to leverage provincial and federal funding and ensure the safety and quality of aging City-owned affordable homes.

What we propose to do less of

STRATEGY
Spending on energy efficiencies.

Why?

Our top investment priorities are on life-safety and critical maintenance repairs for City-owned affordable housing which take precedence over spending on energy efficiencies.

What we propose to do more of or include as a new offering

STRATEGY
Increase funding (provincially legislated) for Silvera's Senior Lodge Program to meet operating deficits and regulatory requirements
Provide an Affordable Housing Resource (1.0 FTE) to support development of off-reserve Indigenous housing in Calgary, starting in 2020.
Implement a new, transformational model for City- and provincially-owned social housing over the long-term to prevent unit closures.

Why?

Affordable Housing is Calgarians' top priority for increased investment. These strategies invest more in housing for Calgary's growing senior population; offer new support to facilitate relationships and housing applications for urban Indigenous affordable housing development; and prevent unit closures and enable tenants to be better off in a financially sustainable social housing model.



What Operating Budget do we need to achieve these results and strategies?

For Council Approval

SERVICE PERFORMANCE RESULTS FOR 2019-2022	CURRENT	TREND
New City owned affordable homes developed through leveraged federal or provincial funding (number of homes opened)	48	↑
New affordable homes planned for development by other non-market housing providers that are supported through City initiatives (number of homes counted at development permit approval)	400	↑
Satisfaction with Home Program activities to improve self-sufficiency and community well-being for affordable housing residents (per cent of surveyed respondents satisfied)	85	↔

Breakdown of net operating budget - Affordable Housing Service Excluding Calgary Housing Company (\$000s)

	2019	2020	2021	2022
Previous Year's Budget	8,232	15,301	12,785	13,181
Less Previous Year one Time	(4,569)	(3,730)	(200)	-
Base	3,663	11,571	12,585	13,181
Revenue Changes	-	-	-	-
Internal Recovery Changes	-	-	-	-
Inflation	60	64	62	64
Operating Impact of Previously Approved Capital	-	-	-	-
Operating Impact of New Capital (Incremental)	-	-	-	-
Efficiencies	(44)	(48)	(46)	(48)
Service Reductions	-	-	-	-
Service Increases	7,892	998	580	759
One Time	3,730	200	-	-
Realignments	-	-	-	-
Total	15,301	12,785	13,181	13,956

Operating Grants to Civic Partner (\$000s)

Civic Partner	2018 Budget at Mar 31	2019	2020	2021	2022
Silvera for Seniors	1,365	5,867	6,725	7,265	8,024

Total Operating Budget (\$000s) for Approval - Affordable Housing Service Excluding Calgary Housing Company

	2018 Budget	2019			2020			2021			2022		
	At Mar 31	Base	One-Time	Total	Base	One-Time	Total	Base	One-Time	Total	Base	One-Time	Total
Expenditure	18,069	19,269	6,230	25,499	20,283	200	20,483	20,879	-	20,879	21,654	-	21,654
Recoveries	(1)	(1)	-	(1)	(1)	-	(1)	(1)	-	(1)	(1)	-	(1)
Revenue	(9,836)	(7,697)	(2,500)	(10,197)	(7,697)	-	(7,697)	(7,697)	-	(7,697)	(7,697)	-	(7,697)
Net	8,232	11,571	3,730	15,301	12,585	200	12,785	13,181	-	13,181	13,956	-	13,956



What Operating Budget do we need to achieve these results and strategies?

For Council Approval

Operating Budget (\$000s) for Approval - Calgary Housing Company's Operating Budget relating to City-owned portfolios

	2018 Budget	2019			2020			2021			2022		
	At May 31	Base	One-Time	Total	Base	One-Time	Total	Base	One-Time	Total	Base	One-Time	Total
Expenditure	27,651	31,830	-	31,830	32,545	-	32,545	33,548	-	33,548	34,217	-	34,217
Revenue	(27,725)	(32,616)	-	(32,616)	(32,962)	-	(32,962)	(33,576)	-	(33,576)	(34,229)	-	(34,229)
Accumulated Surplus Allocation*	74	786	-	786	417	-	417	28	-	28	12	-	12
Net	-	-	-	-	-	-	-	-	-	-	-	-	-

* CHC is requesting that surpluses generated from the City partnership portfolio are retained by CHC to be invested in lifecycle maintenance required by any City-owned properties

Note: Calgary Housing Company's 2018 Budget is as at May 31st which is different than the March 31st as at date for the rest of the service. Calgary Housing Company is a wholly owned subsidiary of The City of Calgary and has chosen to present 2018 Budget as at May 31, 2018 which reflects approval of the social housing funding from the Province.

Calgary Housing Company Total Operating Budget (\$000s) for Information

	2018 Budget	2019			2020			2021			2022		
	At May 31	Base	One-Time	Total	Base	One-Time	Total	Base	One-Time	Total	Base	One-Time	Total
Expenditure	104,421	105,953	-	105,953	105,881	-	105,881	108,140	-	108,140	110,106	-	110,106
Revenue	(110,040)	(115,705)	-	(115,705)	(107,713)	-	(107,713)	(109,988)	-	(109,988)	(110,542)	-	(110,542)
Accumulated Surplus Allocation	5,619	9,752	-	9,752	1,832	-	1,832	1,848	-	1,848	436	-	436
Net	-	-	-	-	-	-	-	-	-	-	-	-	-



Recommended Capital Investment to Support Service Delivery

For Council Approval

Capital Budget for Council Approval

ACTIVITY	DESCRIPTION	2019 REQUEST (\$000s)	2020 REQUEST (\$000s)	2021 REQUEST (\$000s)	2022 REQUEST (\$000s)	2023+ REQUEST (\$000s)	Total REQUEST (\$000s)
Annual Investment Program(s)		8,131	21,777	44,682	40,263	26,000	140,853
403994	Affordable Housing Redevelopment	200	12,800	32,800	34,400	26,000	106,200
403995	Lifecycle Maintenance	5,214	6,261	9,165	4,505	-	25,145
480350	Silvera for Seniors - LMP	2,716	2,716	2,716	1,358	-	9,507
Project(s)		-	-	-	-	-	-
Program(s)		-	3,562	2,853	2,835	-	9,250
403980	Increase Affordable Housing Supply	-	3,562	2,853	2,835	-	9,250
Sub-Total (New Budget Requests)		8,131	25,339	47,535	43,098	26,000	150,103
Previously Approved Budget Remaining		36,709	-	-	-	-	36,709
Total Capital Investment		44,840	25,339	47,535	43,098	26,000	186,812

Explanation of Capital Budget Requests

Annual Investment Program(s)

Activity 403994: Affordable Housing Redevelopment

New Budget Request of \$106,200 thousand to redevelop/regenerate existing affordable housing. This program will position The City to leverage provincial and federal funding.

Funding from Pay-As-You-Go (\$31,860 thousand) is contingent on receiving provincial and federal funding.

Operating Impact of Capital: None

Activity 403995: Lifecycle Maintenance

New Budget Request of \$25,145 thousand to address critical lifecycle maintenance repairs on City-owned affordable housing to ensure the health and safety of tenants.

Funding from Lifecycle Maintenance & Upgrade Reserve.

Operating Impact of Capital: None



Recommended Capital Investment to Support Service Delivery

For Council Approval

Activity 480350: Silvera for Seniors -LMP

New Budget Request of \$9,507 thousand for a lifecycle program to maintain these facilities in good working condition over the next 4 years.

Funding from Lifecycle Maintenance & Upgrade Reserve.

Operating Impact of Capital: None

Program(s)

Activity 403980: Increase Affordable Housing Supply

New Budget Request of \$9,250 thousand to increase the supply of affordable housing. This program will position The City to leverage provincial and federal funding.

Funding from Pay-As-You-Go (\$2,775 thousand) is contingent on receiving provincial and federal funding.

Operating Impact of Capital: None