

Affordable Housing

Led by: Director of Partnerships

Description

Affordable housing is critical for creating a socially resilient city where Calgarians have vibrant, safe, and secure places to live, work and play.

This service improves outcomes for Calgarians by increasing the supply of affordable housing and improving the housing system. We use municipal initiatives and support the Calgary Housing Company and other partners to create solutions and leverage investments. We supported the creation of 3600 non-market homes for low and moderate-income Calgarians since 2017, helping to prevent and reduce poverty in Calgary. There are about 2500 City-owned, 1860 Calgary Housing Company-owned and 777 Silvera for Seniors owned affordable units.

Value and benefits

Affordable housing is foundational to Calgarians well-being and community prosperity. It creates local jobs; strengthens purchasing power, attracts employers with a stable workforce and reduces demand for emergency services. The private housing market meets the needs of 78 per cent of Calgary's households. Of the remaining, four per cent are supported by government and non-profits, but 18 per cent cannot find housing affordable for their income. It is especially difficult for Indigenous people, newcomers, people with disabilities, lone parent households and seniors. In 2016, 60 per cent of Calgarians earning less than \$60,000 annually spent over 30 per cent of their income on shelter. Addressing this critical need requires collaborative partnerships and City investment to leverage and stack federal and provincial funds to increase the housing supply for social well-being.

Customers

The service's customers include low and moderate-income Calgarians needing affordable housing, non-profit housing providers needing support to build affordable housing, non-profit agencies to support the delivery of programs/services to Calgarians and affordable housing tenants needing safe and stable affordable housing.

What we deliver

This service delivers new and regenerated City-owned affordable homes, City land at below-market cost to support the non-profit projects, prioritized planning services for affordable housing development, programs and incentives to secure leveraged dollars for affordable housing development and City and non-profit agencies programs to improve outcomes for affordable housing residents.

Partners

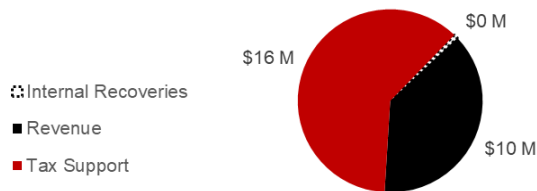
This service partners with Calgary Housing Company who operates/maintains City-owned units, Silvera for Seniors, Attainable Homes Calgary, non-profit housing providers and industry that build/operate units, provincial and federal governments, non-profit service agencies delivering supportive programs, and other Service Lines to collaborate on policies, programs and solutions.

15,000	10-year need for new units in the sector
81,000	Calgary households in housing need
3,600+	Non-market homes created 2016-2021
777	Subsidized supportive homes for seniors

Key assets

The City's wholly owned subsidiary, Calgary Housing Company (CHC), stewards City-owned housing assets (\$399 million current replacement value) and the CHC-owned housing assets (current replacement value of \$382 million).

Affordable Housing
2022 Budgeted Gross Operating Expenditures Funding
Breakdown (\$ Millions)*



* Gross operating budget may include internal recoveries that are also included in other services' gross operating cost.

Note: Internal recoveries is how The City accounts for the costs of goods or services between services

What we have heard & what we are watching

What we have heard

In the 2022 Spring Pulse Survey, Calgarians identified Affordable Housing as important (94 per cent), and the service was the highest-ranked area in which people want more investment (72 per cent).

The survey also indicated that satisfaction in Affordable Housing has statistically declined since spring 2021, signifying desire to address the increased need for affordable housing. This service will work with the housing sector, other orders of government, and providers to invest in the housing system and increase the number of affordable units to provide Calgarians with stable, safe, and affordable housing.

Equity deserving groups highlighted access, affordability and gaps in housing for different household types as inequities. Safety and affordability were ranked as the top values followed by availability, accessibility and prevention (Service Value Dimensions Report).

What Council has directed

The Affordable Housing service supports strong communities that have vibrant, safe and secure places to live, work and play for those most in need of housing. We enable everyone to participate in a strong, diverse economy. Through the Corporate Affordable Housing Strategy, our service develops and delivers programs that provide equitable access to affordable housing. We work in partnership with other orders of government, nonprofit organizations and industry to increase the supply of affordable housing. When low to middle-income Calgarians have affordable housing, they can find and keep jobs, build skills and be active participants in their communities. The local economy benefits from infrastructure investments, and from having a stable and skilled workforce. We contribute to the Social Wellbeing Strategy, Mental Health and Addiction Strategy, Enough for All Strategy, the Age-Friendly Strategy, Downtown Strategy, Diversity and Inclusion Framework and Resiliency Strategy.

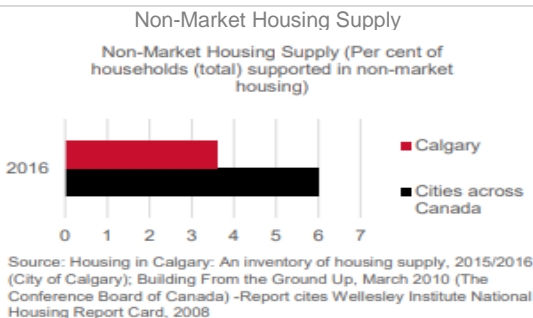
What we are watching

Over 81,000 Calgary households need affordable housing. This number is expected to rise to 100,000 by 2026. Significant investment is needed to close the growing gap between supply and demand and to improve affordability. Calgarians want more investment in affordable housing. An updated Corporate Affordable Housing Strategy will include approaches to close the gap.

Substantial capital funding is needed to maintain aging properties to avoid their closure which would reduce the total number of affordable housing units.

The City hopes to secure significant investment from the federal Housing Accelerator Fund to support housing affordability and affordable housing.

Several actions that could be implemented as part of the province's affordable housing strategy will impact the delivery of affordable housing in Calgary. This could include a new real estate framework, change in the provincial role, and an increase of affordable housing to serve up to 25,000 more households in the next 10 years.



Housing in Calgary: An inventory of housing supply, 2015/2015, The City of Calgary. Building from the Ground Up, March 2010, The Conference Board of Canada.

Comparing our service

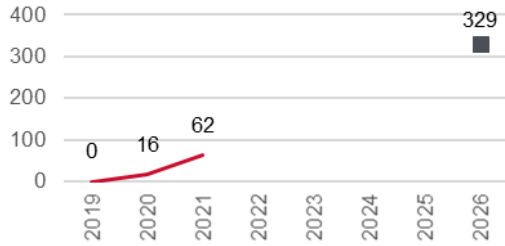
Only 3.6 per cent of total households in Calgary are supported by non-market housing, compared to 6 per cent nationwide. To reach the 2016 national average, Calgary would need to add approximately 15,000 new affordable housing units. A lack of overall rental stock and expensive rents for low-income households compared to other major Canadian cities adds to Calgary's supply challenge. The City is addressing the affordable housing supply deficit and improve outcomes for affordable housing residents through collaboration and housing system transformation. This is the most current data available.

Measuring performance & where we want to go

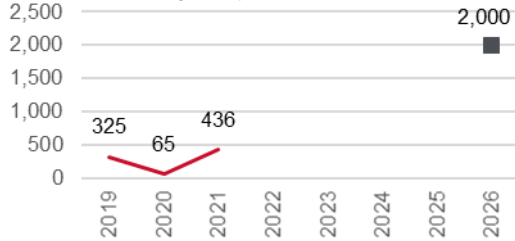
For Council Approval

— Actuals ■ Expected Future Performance

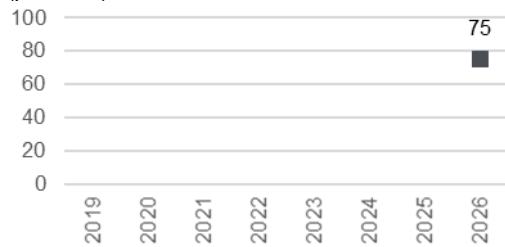
PM1: Number of new City-owned affordable units development through leveraged federal or provincial funding



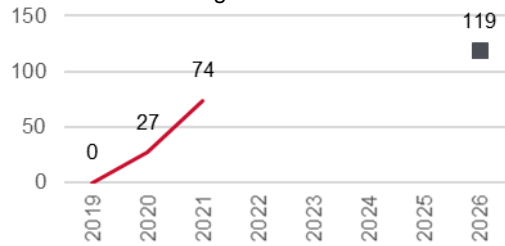
PM2: Number of new affordable units planned for development by non-market housing providers that are supported through City initiatives



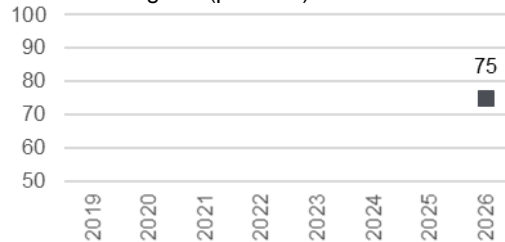
PM3: Applicant level of satisfaction with the Home Program (per cent)



PM4: Number of affordable housing units built through the Non-Market Housing Land Sale



PM5: Applicant's level of satisfaction with the Housing Incentive Program (per cent)



Story behind the curve

Over 81,000 Calgary households are in need of affordable housing, and this number is expected to rise to 100,000 by 2026. Investment by The City, and the federal and provincial governments, is required to close the expanding gap between supply and demand. In 2017-2021, The City opened 198 units with leveraged funding from other orders of government. Approximately 145 more units are planned by 2023. Federal investment is expected through a variety of programs, and this will be targeted as leverage funding for construction of new City-owned units. Data for this measure will fluctuate year-to-year.

The number of affordable units developed by non-market housing providers is increasing. However, inflation, economic conditions, COVID-19 and the lack of operating and capital funding from other orders of government has constrained development in recent years and more investment continues to be needed. The City's Non-market land sale, Housing Incentive Program and collaboration on federal Rapid Housing Initiative applications are critical for enabling the sector to increase supply. New federal funding programs and City programs enable this growth.

The City's Home Program provides grants to non-profit organizations to deliver programs that will improve housing stability and successful tenancies for affordable housing residents or people in core housing need. The desired result is to have 75% of applicants satisfied with the program to track the quality of the service delivery. This is a new measure for the 2023-2026 budget cycle, and no historic data is available.

The City's Non-Market Housing Land Disposition Policy allows for the sale of surplus City-owned land at below market value to experienced non-profit affordable housing developers every two years. The Non-Market Land Sale supports non-profit providers by providing land needed for development. There is a significant shortage of land to develop in Calgary that is suitable for affordable housing development. Since the program began, 166 new units have been committed to being built. This measure indicates the impact the program has on providing below-market housing for those in core housing need.

The City's Housing Incentive Program encourages the building of affordable housing units and helps stimulate the economy to support the development of a wide range of housing projects with a flexible approach. The program particularly helps non-profit housing providers with pre-development work and supports them to obtain grants and funding from other orders of government and financial institutions. The desired result is to have 75% of applicants satisfied with the program to track the quality of the service delivery. This is a new measure, and no historic data is available.

What we plan to do

Result for 2023-2026

Affordable Housing supports affordable, safe and secure housing for Calgarians. This service will collaborate with partners, governments, and industry to create new units, maintain existing units, evolve policy and leverage provincial/federal funding to strengthen Calgary's social resiliency.

How we are going to get there

Increase the number of affordable housing units by leveraging funding from provincial and federal governments for City-led projects.

Increase the number of units developed and operated for those in housing need by collaborating with Calgary Housing Company and non-profit housing partners to leverage funding from other orders of government to increase the number of units developed and operated by non-profit housing providers and to strengthen partners' delivery of services.

Support the planning, designing, and building of new City-owned units and maintain existing City-owned units by supporting the Affordable Housing Capital Program.

Create an updated Corporate Affordable Housing Strategy to set the high-level direction for the next five to ten years.

Respond to Council's Housing and Affordability Task Force Notion of Motion by presenting the Housing and Affordability Task Force's recommendations, findings on a Housing Commission, recommendations for updating the Non-Market Land Sale program and policy, and strategies to undertake with partners to leverage federal funding programs.

Support the creation of additional affordable housing units by modifying relevant corporate policies and practices to create additional opportunities for the Non-Market Housing Land Sale.

Increase housing stability and successful tenancies for affordable housing residents or people in core housing need by providing grants through the Home Program to non-profit organizations to create and deliver programs that help Calgarians in the areas of education and skill building, financial empowerment, community inclusion and integration and supports during COVID-19.

Help non-profit organizations reduce development costs and enable them to leverage funding from other orders of government and financial institutions, by providing grants to non-profit organizations towards pre-development activities and rebates on eligible City development fees for both affordable rental and homeownership housing projects through the Housing Incentive Program.

Improve outcomes for Calgarians in need of core housing by leading policy, research and advocacy that will strengthen the housing system and provide Calgarians to access opportunities and overcome barriers.

Fund Silvera for Seniors Lodge Program as required by Ministerial Order under the Alberta Housing Act.

Operating budget needed to achieve results

For Council Approval

Breakdown of net operating budget (\$000s)

	2023		2024		2025		2026	
	Base	One-time	Base	One-time	Base	One-time	Base	One-time
Previous Year's Net Budget	15,713		16,691		17,351		17,663	
Previously approved One-time budget		-		-		-		-
2022 One-time carry forward		-		-		-		-
Revenue Changes	1,616	-	200	-	41	-	-	-
Internal Recoveries Changes	-	-	-	-	-	-	-	-
Inflation	355		379		312		306	
Operating Impact of Previously Approved Capital	-	-	-	-	-	-	-	-
Operating Impact of New Capital (Incremental)	-	-	-	-	-	-	-	-
Service Reductions	(1,616)	-	(200)	-	(41)	-	-	-
Service Increases	623	350	281	200	-	150	-	100
Total net budget*	16,691	350	17,351	200	17,663	150	17,969	100

*The previous year's One-Time Budget is not carried forward to the following year.

Operating Grants to Civic Partners (\$000s)

Civic Partner	Budget as of April 30, 2022	2023	2024	2025	2026
Silvera for Seniors	7,830	8,185	8,563	8,876	9,182

Total Operating Budget (\$000s) for Approval

	2022 Budget	2023			2024			2025			2026		
	At April 30	Base	One-Time	Total	Base	One-Time	Total	Base	One-Time	Total	Base	One-Time	Total
Expenditures	25,983	22,763	350	23,113	23,223	200	23,423	23,494	150	23,644	23,800	100	23,900
Recoveries	(187)	(187)	-	(187)	(187)	-	(187)	(187)	-	(187)	(187)	-	(187)
Revenue	(9,883)	(5,885)	-	(5,885)	(5,685)	-	(5,685)	(5,644)	-	(5,644)	(5,644)	-	(5,644)
Net	15,913	16,691	350	17,041	17,351	200	17,551	17,663	150	17,813	17,969	100	18,069
Base	15,713												
One-Time	200												

Note: Figures may not add up due to rounding.

Capital budget needed to deliver service

For Council Approval

Activity	Investment Name	2023 Request (\$000s)	2024 Request (\$000s)	2025 Request (\$000s)	2026 Request (\$000s)	2027+ Request (\$000s)	Total Request (\$000s)
Annual Investment Program(s)							
414000	Housing Lifecycle CHC Owned	2,294	2,294	2,294	2,293	-	9,175
482001	Housing Lifecycle City Owned	6,250	6,250	4,141	4,140	-	20,781
480350	Silvera Lodge Lifecycle	4,771	2,545	2,136	4,548	-	14,000
Program(s)							
482000	Increased Affordable Housing	2,500	20,500	56,500	29,500	-	109,000
482002	Leverage Capital Anticipated	3,000	3,000	3,000	3,000	-	12,000
Project(s)							
414040	Closer to Home Family & Community Hub	500	500	1,000	1,000	-	3,000
Sub-Total (New Budget Requests)		19,315	35,089	69,071	44,481	-	167,956
Previously Approved Budget Remaining		19,387	10,506	56,229	-	-	86,122
Total Capital Investment		38,702	45,595	125,300	44,481	-	254,078

Explanation of capital budget requests

Annual Investment Program(s)

Activity 414000: Housing Lifecycle CHC Owned

Lifecycle maintenance and suite renovations for two portfolios: Calhome (DOF) with 1654 units, and Private Non-Profit (PNP) with 207 units. With 55% of the Calhome and Private Non-Profit properties > 40 years old, funding is required to reach and maintain the minimum housing standards.

Funding From: Municipal Sustainability Initiative (\$9,175 thousand)

Contributing Services: None

Operating Impact: None

Activity 482001: Housing Lifecycle City Owned

Lifecycle maintenance and suite renovations for two portfolios: City Owned (CHP) with 1047 units, and City Partnerships (INT) with 1176 units. With 50% of the City Owned and City Partnership properties > 45 years old, funding is required to reach and maintain the minimum housing standards.

Funding From: Municipal Sustainability Initiative (\$20,781 thousand)

Contributing Services: None

Operating Impact: None

Activity 480350: Silvera Lodge Lifecycle

Lifecycle maintenance of properties in the Municipal Lodge Program operated by Silvera for Seniors lodge facilities. Maintenance of Lodge properties supports service delivery and resident safety.

Funding From: Lifecycle Maintenance & Upgrade Reserve (\$14,000 thousand)

Contributing Services: None

Operating Impact: None

Program(s)

Activity 482000: Increased Affordable Housing

New development and redevelopment of affordable housing under the City's Affordable Housing Capital Development Program. This will increase the supply of new and regenerated affordable housing and position the City to leverage provincial and federal funding.

Funding From: Municipal Sustainability Initiative (\$26,750 thousand) and Pay-As-You-Go (\$26,750 thousand). The remaining budget (\$55,500 thousand) is contingent on identifying and allocating funding from other sources, including Other Federal Grants and Other Provincial Grants.

Contributing Services: None

Operating Impact: None

Activity 482002: Leverage Capital Anticipated

Regarding the \$12M the funds are there as an opportunity to leverage funding from other levels of government. And so it's a program of work spread over multiple years, in which the funding will support multiple projects over the next 4 years. These projects will include, but not limited to building new AH by our non-for-profit sector, land acquisition and support for our non-market land sale, leveraging federal programs such as RHI and Housing Accelerator Fund. The importance of this program is about meeting the growing need of affordable housing in Calgary and to support Calgarians who are most in need and at risk of homelessness.

Funding From: Reserve for Future Capital (\$12,000 thousand)

Contributing Services: None

Operating Impact: None

Project(s)**Activity 414040: Closer to Home Family & Community Hub**

The new multi-cultural Community Hub will be a place accessible to all Calgarians, providing opportunities for people of all ages, backgrounds, identities, orientations, and abilities to connect and forge meaningful relationships. It will be a place where vulnerable families in west central Calgary will be welcomed and supported. Our new facility encompasses approximately 55,000 square feet over six floors. The first three floors are community programming and office spaces with floors four through six focused on permanent affordable housing for families.

Funding From: Reserve for Future Capital (\$3,000 thousand)

Contributing Services: None

Operating Impact: None
