

Written Submission for the Pre-Budget Consultation in Advance of the Upcoming Federal Budget

By: Calgary Homeless Foundation

List of Recommendations

Recommendation 1:

That the government implement The City of Calgary's COVID-19 Community Affordable Housing Plan in relation to Canada's National Housing Strategy and the government's COVID-19 pandemic response.

Body of Submission

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Item:

Calgary Homeless Foundation (CHF) has partnered with The City of Calgary and over forty other organizations to create the COVID-19 Affordable Housing Plan. This plan outlines a two-stream approach to aligning resources across all orders of government and – with support from community partners – to deliver housing for vulnerable Calgarians; to build or secure new non-profit housing units, and to generate more than \$765 million in local economic activity through immediate construction.

This initiative includes partners in the private sector, market rental, development organizations, non-profit organizations (representing 45,000+ homes in Calgary) to better serve a broad range of sub-populations in need of affordable housing. These vulnerable populations include Calgarians experiencing homelessness, seniors, and Indigenous peoples.

Background:

CHF is the system planner for Calgary's Homeless-Serving System of Care. We partner with all orders of government using an evidence-based approach that's grounded in data in order to develop innovative solutions that house people experiencing homelessness in our city. Since 2008, we have put 10,000 people into homes, and we have achieved that with a 94% housing retention rate.

According to the 2018 Point in Time Count, Calgary is the epicenter of homelessness in Alberta: the city has 51% of the provincial homeless population while comprising only 30% of the province's total population. On any given day, approximately 3,000 Calgarians are experiencing homelessness. Those at risk of homelessness are in a precarious position in an overburdened health and housing system here in Calgary. Living in a shelter or rough sleeping is not a solution and should not be the norm. We owe it to the citizens of our city to tackle this social issue together and move towards solving it, together.

Calgary's need for affordable housing has remained at 18 per cent over five census cycles, while the average rent has increased by 1.7% to \$1,181. This continues to remain unaffordable for at-risk and vulnerable Calgarians, and as the city's population grows, more than 100,000 households are forecast to be in housing need by 2025. A lack of overall rental stock and expensive rents for low-income households is at the core of Calgary's housing supply challenge.

As it currently stands, Calgary's non-market housing supply sits at 3.6 per cent, which is considerably lower than the 6 per cent national average for other large Canadian cities. Calgary requires 15,000 new affordable housing units to reach, and match, this national average. In these circumstances, our most urgent need and focus must be to provide options to low and moderate income Calgarians who have no housing choice.

Current Status:

The dual impacts of the pandemic and Alberta's economic recovery results in a higher demand for affordable housing options and housing supports. Alberta's unemployment rate currently sits at 15.5 per cent, which is more than double the rate from this time last year (June 2019) and much higher than the national average of 12.3 per cent. Before the pandemic hit, Calgary already had an affordable housing shortage. It is highly plausible that this gap may be further exacerbated by an increase in evictions when the CERB ends, eviction prevention regulations shift, and rent arrears accumulate.

This pandemic clearly demonstrated and proved that housing is health. Any response focused on an outcome to improve the health and well-being of vulnerable Albertans first requires stable, affordable housing with appropriate supports. We now know that housing is the front line of defence against COVID-19, as we all require a safe place where we can socially distance or self-isolate from others.

As we move into the fall and winter season, we must act swiftly given the possibilities for additional waves of COVID-19 infections.

Recommendation:

Calgary's COVID-19 Community Affordable Housing Plan can make housing for all possible. The plan's two interdependent and concurrent streams can provide affordable housing that will support the safety and well-being of vulnerable Calgarians both during the COVID-19 pandemic and in the long-term. This process will leverage already-committed dollars, available surplus product, and the readiness of the non-profit sector. All that is required is investment from all orders of government to close the affordable housing gap and deliver housing to those most in need.

Stream 1: Rapidly secure Supportive Housing for up to 600 Calgarians exiting homelessness, helping people become safely housed before additional COVID-19 waves occur

The first stage of the Plan will require **\$46 million in capital funding and \$13 million in one-time operating funds from the Government of Canada**. With the support of all orders of government and community partners, The City will quickly acquire enough units to house 600 people who are currently homeless. Rapidly housing these individuals will serve the health and well-being of some of Calgary's most vulnerable, as well as the safety and vibrancy of the city as a whole.

Outlined below is the total cost of Stream 1:

- \$12.9 million (one-time operational) – rent supplements and program supports (300 new doors + 300 portable)
- \$45.9 million (capital) – acquisition of surplus units, hotels (300 units)

Stream 2: Acquire, build and partner to stimulate the economy & strengthen the affordable housing sector

The current environment presents an ideal opportunity to align acquisitions, building, and partnership towards the purpose of addressing Calgary's affordable housing gap. Stream 2 will require **\$290 million in capital funding from the Government of Canada**.

This stream will provide immediate benefits through the purchase of distressed assets (i.e. hotel industry and private landlords); the leveraging of \$186 million in already-committed local investment

to deliver 22 shovel-ready projects; and the establishment of \$300 million in block funding over three years in partnership with the private sector to fund seed projects, purchase and convert units, and activate the private sector. The 22 projects alone will spur economic activity, generating approximately \$765 million in the region, with the value-add GDP of \$355 million, as well as creating 2,800 temporary jobs and boosting and protecting non-profit sector partners' asset base.

Below are the total funding requirements for **Stream 2 of the Plan**:

- \$300 million (capital) – partner with the private sector to add 1,000 units (\$100 thousand per door annually for 3 years – 3000 units)
- \$237.4 million (capital) – 22 non-market affordable housing led projects constructed by the private sector (1,800 homes)

The culmination of both streams requires **\$349 million from the Government of Canada** and \$275 million from the Government of Alberta. This represents an almost 60/40 split between federal and provincial contributions. Direct contributions from The City of Calgary are excluded in consideration of the city's investment of \$11.4 million into affordable housing through the non-profit land sale, development grants and rebates, capital funding for City affordable housing projects, and grants to support affordable housing residents.

Outcomes:

Calgary's COVID-19 Community Affordable Housing Plan will serve the current and future needs of vulnerable Albertans while also supporting pandemic response and economic recovery of our city. The outcomes of this plan include:

- **Deliver housing for up to 12,000 vulnerable Calgarians** – effectively ending functional homelessness in our city
- **Build or secure more than 5,400 new nonprofit housing units** – creating a more self-sustaining nonprofit asset base and sector
- **Generate more than \$765 million in local economic activity** – through immediate construction and the creation of 2,800 construction jobs in Calgary

In support of Canada's National Housing Strategy, this plan can serve as a proof-of-concept to grow affordable housing stock at a community scale. This plan outlines a model that can support the targets of increasing housing stock, removing families from housing need, and reducing chronic homelessness by 50 per cent.