

April 24, 2007

Government responds to task force report with \$285 million in new funding

New funding will address immediate housing needs

Budget 2007, housing highlights:

- The new Municipal Sustainability Housing Program has a budget of \$100 million per year, for three years.
- Capital Enhancement to increase affordable housing a further \$96 million in 2007-08.
- Homeless support will receive more than \$35 million, an increase of \$13 million.
- The Provincial Homeless Initiative will receive \$6 million, an increase of \$3 million.
- Rent Supplement Program will receive more than \$33 million, an increase of \$14.3 million.
- Support to Housing Providers and Special Purpose Housing has been allocated close to \$43 million, an increase of \$4.3 million.
- The new Affordable Housing Program including \$45 million allocated to Fort McMurray for 300 affordable housing units.
- The Off-Reserve Aboriginal Housing Program's budget for the year is \$16 million.
- The new Homeless and Eviction Fund receives \$7 million.
- The new Alberta Transitional Housing Initiative will receive \$2.5 million.

Edmonton... The province has increased the housing budget by \$285 million to address immediate housing pressures as identified by the Alberta Affordable Housing Task Force Report.

"Housing is an important issue for Albertans and a top priority for our government," said Premier Ed Stelmach. "We are delivering with increased funding for rent supplements, supports for shelters and homeless initiatives and affordable housing units."

The cornerstone to this new funding is the establishment of the new Municipal Sustainability Housing Program, which will provide \$100 million each year for three years. This funding will be targeted to high-growth, high-need municipalities to help ease growth pressures in these communities. The funding is part of the new Municipal Sustainability Initiative, which will provide municipalities with long-term sustainable funding for the next 10 years.

The government will also deliver \$96 million for enhanced capital support in 2007-08, absorbing this cost within current resources. These programs as well as our partnerships with other orders of government and the private and not-for-profit sectors are expected to lead to the development of more than 11,000 affordable housing units over the next five years.

"The Task Force provided government with a comprehensive report, and I want to thank the Task Force members for their incredible dedication," said Municipal Affairs and Housing Minister Ray Danyluk. "Government has delivered a balanced response that assists Albertans who are struggling with the pressures of growth."

For renters, amendments will be introduced in the current sitting of the legislature that will limit rent increases to once per year. This will apply to both fixed-term and periodic leases. The minimum three-month notice on rent increases will continue to be in place. As well, under the amendments, landlords wanting to end a tenancy to do major renovations or to convert a rental unit to a condominium will need to provide at least one-year notice. No rental increases will be allowed during that year. These changes will

involve amendments to both the *Residential Tenancies Act* and the *Mobile Home Sites Tenancies Act*. If passed, the amendments will be retroactive to April 24, 2007, and be in effect for two years.

In addition, as recommended in the Affordable Housing Task Force report, the government will introduce a province-wide program to help landlords and tenants resolve disputes outside of court.

The Residential Tenancies Dispute Resolution Service, currently running as a successful pilot project in Edmonton, allows both landlords and tenants to bring forward disputes that are then heard by a tenancy dispute officer, who makes a binding decision on the matter. The program is less expensive and faster for landlords and tenants than going to court.

The program will be made permanent in Edmonton and the surrounding area as of June 1 this year. It will expand to Calgary in early 2008 and then to Fort McMurray and Grande Prairie before becoming a province-wide service by 2010.

In addition, funding for the Rent Supplement Program has increased by \$14.3 million to \$33 million. A new \$7-million Homeless and Eviction Prevention Fund will be established to assist Albertans who may be at risk of losing accommodations due to rent increase and to assist newcomers to Alberta who may need temporary assistance until their first paycheque arrives. As the ministry responsible for income supports and emergency funding for Albertans with minimal resources, Employment, Immigration and Industry will administer the Homeless and Eviction Prevention Fund.

The Affordable Housing Task Force report is available on the Municipal Affairs and Housing website at www.municipalaffairs.gov.ab.ca

This funding is part of Premier Stelmach's plan for managing growth pressures in the province. Other priorities for the government are to govern with integrity and transparency; provide safe and secure communities; improve Albertans' quality of life; and to build a stronger Alberta. These priorities are addressing challenges today and building for the future.

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Attachment: Municipal funding for housing by population; and Government responds to Alberta Affordable Housing Task Force Report

Media enquiries may be directed to:

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To call toll-free within Alberta dial 310-0000.

Backgrounder

April 24, 2007

Municipal funding for housing by population

Edmonton...Total funding of \$143 million for category one and category two (criteria for both categories is detailed below) is based on \$85 million from the Municipal Sustainability Housing Program and \$58 million from the \$96 million enhanced capital.

\$68 million is available to other communities if they can identify a substantial need and have a suitable project. Municipal Affairs and Housing will administer the funding on a project-by-project basis. Municipalities in categories one and two are precluded from applying for the \$68 million if they are receiving \$3 million or more in the charts below. The \$68 million includes \$15 million from the \$100 million for the Municipal Sustainability Housing Program, \$38 million from the \$96 million enhanced capital and \$15 million from the Federal Affordable Housing program.

CRITERIA FOR CATEGORY ONE FUNDING

In order to qualify for category one funding, municipalities must demonstrate all of the following three criteria:

1. Population growth over 2.79 per cent (calculated on a three-year rolling average).
2. Vacancy rate under the provincial average of 1.7 per cent.
3. Average rental rate for a two-bedroom unit over the provincial average of \$620.

Municipalities receiving funding (category one)

MUNICIPALITY	2006 POP.	TOTAL FUNDING OUT OF \$85 MIL	TOTAL FUNIDNG OUT OF \$58 MIL	TOTAL POP. BASED FUNDING
CALGARY	991,759	\$37,426,405	\$25,582,606	\$63,009,012
EDMONTON	712,391	\$26,883,784	\$18,376,257	\$45,260,041
RED DEER	82,971	\$3,131,110	\$2,140,252	\$5,271,362
LETHBRIDGE	78,713	\$2,970,424	\$2,030,416	\$5,000,840
GRANDE PRAIRIE	44,631	\$1,684,258	\$1,151,265	\$2,835,523
AIRDRIE	29,035	\$1,095,705	\$748,963	\$1,844,669
SPRUCE GROVE	18,405	\$694,557	\$474,760	\$1,169,317
FORT SASKATCHEWAN	14,685	\$554,174	\$378,802	\$932,976
STRATHCONA COUNTY	80,232	\$3,027,747	\$2,069,599	\$5,097,346

STRATHMORE	10,336	\$390,054	\$266,619	\$656,673
BEAUMONT	8,951	\$337,787	\$230,893	\$568,680
EDSON	8,365	\$315,673	\$215,777	\$531,450
DRAYTON VALLEY	6,579	\$248,274	\$169,707	\$417,981
DEVON	6,361	\$240,048	\$164,083	\$404,131
TOTAL	2,093,414	\$79,000,000	\$54,000,000	\$133,000,000

CRITERIA FOR CATEGORY TWO FUNDING

In order to qualify for category two funding, municipalities must demonstrate two of the following three criteria:

1. Population growth over 2.79 per cent (calculated on a three-year rolling average).
2. Vacancy rate UNDER the provincial average of 1.7 per cent.
3. Average rental rate for a two-bedroom unit over the provincial average of \$620.

Municipalities receiving funding (category two)

MUNICIPALITY	2006 POP.	TOTAL FUNDING OUT OF \$85 MIL	TOTAL FUNDING OUT OF \$58 MIL	TOTAL POP. BASED FUNDING
COCHRANE	12,688	\$310,121	\$206,748	\$516,869
ST. ALBERT	56,310	\$1,376,335	\$917,557	\$2,293,892
CANMORE	11,599	\$283,504	\$189,003	\$472,507
CAMROSE	15,850	\$387,407	\$258,272	\$645,679
BANFF	8,352	\$204,140	\$136,094	\$340,234

LEDUC	15,630	\$382,030	\$254,687	\$636,717
STONY PLAIN	10,544	\$257,718	\$171,812	\$429,529
HIGH RIVER	9,522	\$232,738	\$155,159	\$387,896
SYLVAN LAKE	8,504	\$207,856	\$138,570	\$346,426
SLAVE LAKE	6,600	\$161,318	\$107,545	\$268,863
PEACE RIVER	6,240	\$152,519	\$101,679	\$254,198
ROCKY MOUNTAIN HOUSE	6,972	\$170,410	\$113,607	\$284,017
MEDICINE HAT	56,048	\$1,369,931	\$913,288	\$2,283,219
LACOMBE	10,850	\$265,197	\$176,798	\$441,995
HINTON	9,769	\$238,775	\$159,183	\$397,958
TOTAL	245,478	\$6,000,000	\$4,000,000	\$10,000,000

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Backgrounder

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Government responds to Alberta Affordable Housing Task Force report

Immediate Measures to Tackle the Shortage

Recommendation	Response
<p>Recommendation #1 Establish a Homeless and Eviction Prevention Fund</p>	<p>Government will establish a \$7 million Homeless and Eviction Prevention Fund.</p> <p>The fund will assist Albertans at risk of losing their homes due to rent increases and to assist those moving to Alberta for employment who require assistance in establishing a home, while they are waiting for their first paycheque.</p>
<p>Recommendation #2 Stabilize Volatility for Renters</p>	<p>Government will limit rent increases to once per year for a two-year period as part of a package of solutions that together will assist Alberta renters.</p> <p>On condominium conversions, landlords must provide renters with a one-year notice on the conversion of rental units to condominiums, and no rent increases will be allowed during that period.</p>
<p>Recommendation #3 Increase Funding for Temporary Emergency Homeless Shelter Spaces</p>	<p>Government will allocate \$35 million per year for transitional housing and homeless supports. Approximately \$30 million will go towards operating costs for 25 emergency shelters throughout the province. The program will be expanded beyond the seven high-growth, high-need communities that it currently funds.</p> <p>Government will double funding for the Provincial Homeless Initiative to \$6 million per year and will expand the program beyond the current seven major centres.</p>
<p>Recommendation #4 Establish and Fund an Alberta Transitional Housing Initiative</p>	<p>Government will establish the Alberta Transitional Housing Initiative and provide \$2.5 million in funding for support services for residents in transitional housing.</p>
<p>Recommendation #5 Increase Alberta's Rent Supplement Program Allocation</p>	<p>Government will increase funding for the Rent Supplement program to \$33 million</p> <p>\$9 million in new funding will be provided</p>

	<p>directly to individuals. This will be delivered by local housing providers and will assist up to 2,000 households each year.</p> <p>\$1 million will be directed to Fort McMurray to assist essential workers (nurses, police officers, teachers, etc.) with a rent supplement program that will allow them to obtain affordable housing.</p>
<p>Recommendation #6 Enhance Capital Resources for Affordable Housing Supply</p>	<p>Government will provide \$100 million in block funding to municipalities to address housing priorities in their communities. To ensure funding was targeted to the highest need communities, a formula that took into account factors such as population growth, vacancy rates, and average rental rates was used. This year, \$85 million will go to high-growth, high-need communities, and \$15 million will be set aside for communities that have not met all the criteria but are experiencing growth and affordability issues.</p> <p>\$96 million for enhanced capital support in 2007-08, this cost will be absorbed within current resources. This year, \$58 million will be allocated based on high-growth criteria and \$38 million is allocated to communities experiencing growth and affordability issues.</p> <p>Under the Affordable Housing Program, \$45 million is targeted to providing 300 affordable housing units in Wood Buffalo, as recommended by the Oil Sands Strategy Committee, and \$15 million will be allocated from the Federal Affordable Housing Program to communities experiencing growth and affordability issues.</p>
<p>New Alberta Home Ownership Assistance Program</p> <p>Matching Federal Funding for Off-Reserve Aboriginal Affordable Housing program</p>	<p>Government does not accept this recommendation as the creation of more rental units is a better way to address current housing issues.</p> <p>Government does not accept this recommendation as all Albertans have access to government housing programs.</p>

<p>Recommendation #7 Enable Greater Flexibility in Use of Capital Grants</p>	<p>Government has partially accepted this recommendation. The government has accepted that the purchase of surplus land and buildings for affordable housing projects would have to be undertaken within some time restraints (i.e. two years).</p>
<p>The Amount of Grants Should Depend on the Economics of the Project and Not be Capped.</p>	<p>Government did not accept that the grants should not be capped.</p>
<p>Recommendation #8 Ensure Quick Release of Suitable Crown Land</p>	<p>Government accepted this recommendation and where appropriate will release suitable Crown land, that can be used for affordable housing in a timely manner.</p>
<p>SHORT-TERM PRIORITIES-TO REMOVE BARRIERS and INCREASE ACCESS</p>	
<p>Recommendation #1 Establish an Alberta Housing Plan</p>	<p>Government did not accept this recommendation but will work with municipalities and stakeholders to plan, co-ordinate, and facilitate housing direction for Alberta.</p>
<p>Establish an Alberta Housing Secretariat/Council</p>	<p>Government did not accept this recommendation but will establish a Cross-Department Assistant Deputy Ministers' Committee to examine a co-ordinated approach to housing.</p>
<p>Recommendation #2 Ensure Ongoing Access to Affordable Land</p>	
<p>Single comprehensive policy on disposal of Crown Lands</p>	<p>Government accepted this recommendation. See Immediate Measure recommendation #8.</p>
<p>Extend Community Spirit Program for Charitable Giving to include affordable housing.</p>	<p>Government will refer this recommendation to the Community Spirit Program MLA Committee.</p>
<p>Land trusts - non-profits could hold and develop land for the community and reduce levies and charges that inhibit development for affordable housing.</p>	<p>Government will refer these recommendations to the Cross-Department Assistant Deputy Ministers' Committee.</p>

<p>Recommendation #3 Move to Block Funding in Allocating Capital Dollars</p>	<p>Government accepts that block funding will be made available to high-growth, high-need municipalities through the Municipal Sustainability Housing Fund.</p> <p>Government does not accept the recommendation to index funding based on inflationary pressures.</p>
<p>Recommendation #4 Revise the <i>Municipal Government Act</i> to Support More Flexible Zoning, Density Bonuses and Other Incentives.</p>	<p>Government does not accept this recommendation. The <i>Municipal Government Act</i> allows municipalities to develop lands as they deem appropriate.</p>
<p>Recommendation #5 Develop Flexible Incentives to Stimulate Supply-Side Responses</p>	<p>Government does not accept this recommendation. The <i>Municipal Government Act</i> allows municipalities to use innovative financing methods to address redevelopment.</p>

LONG TERM INITIATIVES-BETTER WAYS FOR THE FUTURE

<p>Cut Red Tape and Improve Efficiencies</p>	
<ul style="list-style-type: none"> ● Improve efficiencies and reduce duplication among government and non-profits. 	<p>Government will refer this recommendation to the Cross-Department Assistant Deputy Ministers' Committee.</p>
<ul style="list-style-type: none"> ● Improve government responsiveness to specific timelines. 	<p>Government does not accept the proposed timelines and agrees to improved government responsiveness.</p>
<ul style="list-style-type: none"> ● Review shared accommodation restrictions in government programs that create barriers. 	<p>Government accepts this recommendation and has already started to address this issue.</p>
<ul style="list-style-type: none"> ● Standarize forms and templates and provide assistance to applicants during the process. 	<p>Government will refer this recommendation to the Cross-Department Assistant Deputy Ministers' Committee and acknowledges that different programs will have different requirements.</p>
<ul style="list-style-type: none"> ● Eliminate ineffective and inefficient procedures for non-profits. 	<p>Government will refer this recommendation to the Cross-Department Assistant Deputy Ministers' Committee.</p>

Better Integration of Planning and Policy

<ul style="list-style-type: none">• Adopt a consistent definition of "affordable housing" for policy and program development.	Government accepts that a consistent definition of "affordable housing" is required but does not accept the Task Force's definition.
<ul style="list-style-type: none">• Develop an inventory of under-utilized or unused public infrastructure for affordable housing opportunities.	Government does not accept this recommendation as there are existing mechanisms in place to identify and disburse land to eligible stakeholders.
<ul style="list-style-type: none">• Increase provincial funding from three to five years.	Government does not accept this recommendation as government follows a three-year planning and budgeting process.
<ul style="list-style-type: none">• Re-establish a mechanism for regional planning that provides for dispute resolution.	Government will refer this recommendation to the Minister's Council on Municipal Sustainability.
<ul style="list-style-type: none">• Re-establish regional landlord/tenant boards with mediation and dispute resolution powers, and fund these boards.	Government does not accept this recommendation. The Residential Tenancies Dispute Resolution Service is already running as a successful pilot project in Edmonton. It allows landlords and tenants to bring forward disputes which are then heard by a tenancy dispute officer who makes a binding decision on the matter. The program will be made province-wide by 2010.
<ul style="list-style-type: none">• Create a \$250,000 provincial Innovation Challenge Fund to foster and recognize innovative types of housing initiatives.	Government does not accept this recommendation. Approved funding should go to the development of new units.
<ul style="list-style-type: none">• Improve responsiveness to market changes and improve longer-term planning.	Government will refer this recommendation to the Cross-Department Assistant Deputy Ministers' Committee.
<ul style="list-style-type: none">• Provide incentives for quality and "green" construction in affordable housing.	Government does not accept this recommendation. While the government encourages "green construction," approved funding should go to the development of new units. Through existing programming, Alberta Environment, in co-operation with industry and government stakeholders, will promote green construction best practices.

Ongoing Supply & Improved Access to Affordable Housing

<ul style="list-style-type: none"> ● Review the housing component of student loans and social allowances to reflect market conditions for housing. 	<p>Government will refer this recommendation to the appropriate ministries.</p>
<ul style="list-style-type: none"> ● Expedite the cleanup of "brownfield" sites to increase available lands. 	<p>Government will refer this recommendation to the appropriate ministries.</p>
<ul style="list-style-type: none"> ● Capital grant programs should become ongoing sustainable programs. 	<p>Government does not accept this recommendation. The province's business planning and budgeting process follows a three-year timeframe.</p>
<ul style="list-style-type: none"> ● Work with Alberta Advanced Education and Technology, technical colleges and trade unions to adjust apprenticeship programs to recognize specializations within the trades and allow for full accreditation. 	<p>Government will refer this recommendation to the Building and Educating Tomorrow's Workforce Strategy.</p>
<ul style="list-style-type: none"> ● Municipalities move on inclusionary zoning; release available surplus land for affordable housing; 5-10 year regional housing planning; proactively acquire land; act on recommendations in the Report of the MLA Review Committee on Secondary Suites; and share strategies that deal with Not-In-My-Backyard (NIMBY) factor. 	<p>Government will refer these recommendations to the Minister's Council on Municipal Sustainability.</p> <p>In November 2006, government accepted the recommendations from the MLA Review Committee on Secondary Suites. These changes have been adopted into legislation.</p>
<ul style="list-style-type: none"> ● The federal government should pursue opportunities to support affordable housing and look at barriers, incentives that will increase the opportunity for the development of affordable housing. 	<p>Government will refer these recommendations to the appropriate federal ministries.</p>
<ul style="list-style-type: none"> ● Ensure the Royalty Review Task Force ensures that affordable housing is considered by large-scale resource industries when large projects are developed. 	<p>Government will further review this recommendation. Referred to the Cross-Department Assistant Deputy Ministers' Committee.</p>
<ul style="list-style-type: none"> ● Regulatory boards review housing and other infrastructure needs as part of the industry development approval process. 	<p>Government will further review this recommendation. Referred to the Cross-Department Assistant Deputy Ministers' Committee.</p>
<ul style="list-style-type: none"> ● Discuss innovative temporary housing models with industry. 	<p>Government will refer this recommendation to the Building and Educating Tomorrow's Workforce Strategy.</p>

<p>Engage the housing industry through Public-Private Partnerships and incentive plans.</p>	<p>Government does not accept this recommendation. Municipalities can engage the housing industry to develop future delivery models.</p>
<p>STRENGTHEN THE NON-PROFIT SECTOR</p>	
<ul style="list-style-type: none"> • Stabilize and enhance operating funds for community-based non-profit groups. 	<p>Government does not accept this recommendation. Government follows a three-year planning and budgeting process.</p>
<ul style="list-style-type: none"> • Provide a guide or facilitator in the public service to assist smaller communities and non-profits. 	<p>The Government does not accept this recommendation. The provincial government is already providing assistance to smaller communities and non-profits.</p>
<ul style="list-style-type: none"> • Create a non-profit service provider to encourage regional alignment, minimize duplication and create synergies for similar non-profit groups. 	<p>Government does not accept this recommendation. Strong support networks already exist.</p>
<p>ADEQUATE SERVICE/SUPPORTS ALONG THE CONTINUUM</p>	
<ul style="list-style-type: none"> • Implement a preferred case management model across the housing continuum. 	<p>Government does not accept this recommendation. The Cross-Department Assistant Deputy Ministers' Committee will look at a co-ordinated approach for the provision of services to the homeless, but future models will be locally developed, as each community has varied needs.</p>
<ul style="list-style-type: none"> • Address measures to recruit, retain and retrain qualified front-line staff. 	<p>Government has referred this recommendation to the Building and Educating Tomorrow's Workforce Strategy.</p>
<ul style="list-style-type: none"> • Require homeless agencies to adopt a common tracking system with funding and technical supports. 	<p>Government does not accept this recommendation. Human Resources and Social Development has started a cross-Canada electronic data gathering system.</p>
<ul style="list-style-type: none"> • Adopt a client-focused service model that informs people of their entitlements, and how to access those services. 	<p>Government does not accept this recommendation. This relates to social policy and does not fall within the Task Force's mandate.</p>
<p>AMENDED LEGISLATION TO SUPPORT CHANGE</p>	

<ul style="list-style-type: none"> • Review and revise various government acts and legislation to reflect and implement recommendations outlined in the report. 	<p>Government has partially accepted this recommendation. Recommendations that require legislative change will be addressed by the lead ministry.</p>
<ul style="list-style-type: none"> • Amendments to the <i>Municipal Government Act</i> . 	<p>Government will refer this recommendation to the Minister's Council on Municipal Sustainability.</p>
<ul style="list-style-type: none"> • Review the <i>Residential Tenancies Act</i> to strengthen renters protections. Consider annual rent increases and stricter standards for safe, adequate low-income housing. 	<p>Government accepts this recommendation and will refer legislative amendments to the appropriate ministries.</p>

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