



Media Release

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Alberta Housing Sector's Response to Passing of Bill 78: Alberta Housing Amendment Act

After years of consultation with the Government of Alberta, the Alberta Seniors & Community Housing Association (ASCHA), which represents over 100 organizations that provide community and seniors housing across the province, is happy to see feedback that the affordable housing sector provided to the Government of Alberta incorporated into the [Stronger Foundations](#) plan. Bill 78 legislates some changes to enable the implementation of this affordable housing strategy. However, the Government of Alberta's ambitious target of adding 25,000 new affordable housing units over the next 10 years will require not only significant capital investment in future Provincial Budget allocations, but also the financial support necessary to operate housing with inflated fixed costs, respond to capital maintenance and repair priorities, and ensure social and community programs are supported to help Albertans stay housed. Housing is much more than bricks and mortar after all.

What concerns ASCHA most about Bill 78, and more directly *Stronger Foundations*, is that there has been ongoing underfunding of affordable housing in provincial budgets. The "hold the line" approaches will not be remotely adequate in meeting the targets of the affordable housing strategy. Alberta's affordable housing stock has an average age of over 35 years, and has fallen into greater disrepair due to Capital Maintenance and Renewal funding cuts by the current government. Since the 2018 provincial election, Housing Management Bodies (HMBs) (which operate most of Alberta's affordable housing) have had their operating budget cuts by 3.5%. Accounting for inflation, they are operating with 10.8% less than they had in 2018, and face a forecast of record-high inflation for the coming year. Housing providers will need adequate operational funding if they are to adapt and grow to meet the targets of *Stronger Foundations*.

In addition, our members have noted that the provincial government has failed to access all the federal funding available to Alberta, and that government has not adequately supported local project submissions for federal funding programs. To date, the provincial government has left at least \$187 million in federal funding on the table, which could have been accessed through its National Housing Strategy (NHS) bilateral agreement to provide capital for affordable housing. Alberta committed only \$561 million in funding and secured a matching federal investment for the same amount. If Alberta had committed the average per capita investment of other provinces in its bilateral agreement, it would have secured an additional federal investment of \$187 million, making the total amount of funding \$1.497 B - one third larger than the current agreement. Since the Province has failed to secure the funding earmarked by the National Housing Strategy for Alberta, we are already at a disadvantage of addressing current housing need, let alone future need.

The Government of Alberta shares blame with the Government of Canada for this, as a large number of Alberta's housing organizations had their applications for the Rapid Housing Initiative and National Housing Co-Investment Fund denied simply because CMHC expected applications to include support that the Government of Alberta did not provide. Collectively, Alberta organizations received \$474 M from the National Housing Strategy's programs that directly fund housing organizations, according to the Canadian Mortgage and Housing Corporation's (CMHC) [Progress on the National Housing Strategy](#) report. A "fair share"

for Alberta would be based on the province representing 11% of the national population, meaning that proportional funding should have been \$1.689 B.

Another major concern for our members is that Bill 78 gives the Minister discretion to decide what qualifies as affordable housing. This creates the risk that the Government of Alberta will define housing as “affordable” if rents are only 10% below market rent, leaving Albertans working minimum wage or receiving Income Support and AISH unable to afford “affordable housing”. Alberta’s stock of Rent Geared to Income (RGI) housing needs to be preserved. We are hopeful that subsequent documents and guidelines will be generated by the Ministry to clarify how affordability and housing partnerships will be interpreted and applied legally.

Bill 78 and *Stronger Foundations* offer only a high-level framework for the Province’s approach to affordable housing, which means that there is still a great deal of uncertainty for our members. As related policies and programs are introduced and implemented, ASCHA will be providing scrutiny and monitoring to ensure:

- the outcomes of the strategy are being supported through cross-ministry prioritization
- purported progress in growing the stock of affordable housing is happening
- funding commitments represent actual new investments rather than displacement and shifting funding between envelopes
- Alberta is accessing its share of National Housing Strategy funding
- housing for households in deepest need isn’t being converted to near-market rent
- all proceeds from the sale of Alberta Social Housing Corporation assets are reinvested in affordable housing, as committed to in the strategy

All this said, Alberta’s housing sector appreciates that government has committed to supporting 25,000 households in housing need, and appreciates the prioritization of the many issues ASCHA has been advocating on for decades. The flexibility that is provided through Bill 78 allows for local autonomy, whereby community organizations and partners from other sectors can come together to ensure housing needs are adequately addressed. Housing requires innovative solutions that respond to specific geographical challenges, demographics and cultural considerations.

ASCHA is committed to continued work with the government to meet the targets set in the *Stronger Foundations* framework. But this will require utilizing all funding opportunities presented, and prioritizing housing and support requirements in the next Provincial Budget.

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Attachment: [Analysis of National Housing Strategy progress report and PBO report numbers](#)