

Supporting Long-Term Sustainability of Affordable Housing in Alberta

Moved by: City of Edmonton

Seconded by: TBC

WHEREAS adequate housing is a fundamental human right affirmed in international law, and is a critical element to building vibrant and inclusive communities;

WHEREAS a lack of affordable housing puts people at risk of homelessness and contributes to social disorder and places increased pressure on health and social services;

WHEREAS the Government of Alberta has a key role in ensuring housing options are available to all Albertans, and is committed to supporting greater sustainability in the affordable housing sector and ensuring that housing supports are available for Alberta's most vulnerable populations through the province's 10-year affordable housing strategy;

WHEREAS there has been an increase in provincial investments into affordable housing; however, the demands for affordable housing exceed current funding commitments;

WHEREAS increasing costs due to inflation, deferred maintenance and other requirements are pushing the limits of affordable housing operators' abilities to maintain existing supply;

WHEREAS municipalities are committed to working together in collaboration with other orders of government, non-profit and private housing providers, Indigenous peoples and other stakeholders to help develop, manage and maintain the supply of affordable housing;

IT IS THEREFORE RESOLVED THAT Alberta Municipalities advocate to the Government of Alberta to:

1. Provide increased capital and operating funds to address growing gaps in supporting affordable housing needs across Alberta and help further accelerate housing supply.
2. Amend provincial legislation to exempt all non-profit affordable housing providers from both municipal and education tax, and establish a clear definition to indicate which properties will qualify for the exemption.

BACKGROUND:

Alberta is often described as an affordable place to live, however this affordability does not extend to all households and is not equitable across all demographic groups and income levels. For example, through the completion of local housing needs assessments, many municipalities across Alberta are identifying significant and projected growing gaps in addressing core housing needs for very-low income households and select vulnerable and marginalized populations within their communities.



In 2021, the Government of Alberta released their 10-year strategy to improve and expand affordable housing. The strategy broadly describes affordable housing as supporting "low-to-moderate income households that cannot attain housing at market rates. It also provides stability for vulnerable people who may have several barriers to accessing safe, suitable accommodations on their own (e.g. Albertans in receipt of Assured Income for the Severely Handicapped). In Alberta, affordable housing is provided by housing management bodies or private, non-profit operators to individuals and families in core housing need. To determine which households are unable to afford market housing, the Government of Alberta uses income thresholds for each region/community as identified each year by Canada Mortgage and Housing Corporation."

Available 2022 [data](#) from the Canada Mortgage and Housing Corporation shows that Alberta has the fewest number of affordable housing units per capita (with many units being rated in fair to poor condition) compared to most other provinces across Canada. While progress has been made on supporting affordable housing development and providing increased rental supplements through recent provincial and federal investments, there are still concerns over insufficient funding to support capital maintenance and renewal of existing assets. Further actions are required to keep pace with Alberta's growing population and lagging housing investments.

Various housing management bodies, which operate most of Alberta's affordable housing units, have also shared how they have had their operating budgets decreased since 2018, and are limited in their ability to create financial reserves and explore innovative funding models which hampers their long-term planning and financial sustainability. Given growing inflationary pressures, and no new increases put towards housing management body operating agreements included in the 2023 provincial budget, many are operating with significantly less funding and having to potentially pivot limited resources away from critical reinvestments in preserving housing assets and required support programs and services.

In Alberta, property tax exemptions are governed by the *Municipal Government Act*, the *Community Organization Property Tax Exemption Regulation* and other regulations including the recently enacted *Alberta Social and Affordable Housing Accommodation Exemptions Regulation*. Existing provincial legislation specifically exempts a limited number of affordable housing properties from paying municipal and education taxes. While municipalities are enabled to exempt or cancel municipal taxes for other affordable housing properties who may not be covered by existing legislation, this does not include education tax and adds unnecessary inconsistencies and municipal red tape. Various non-profit organizations who support the delivery of affordable housing have raised challenges they face in qualifying for property tax exemptions and have echoed the need for legislative reform that is currently hindering their ability to reinvest into affordable housing.



On October 1, 2022, the Government of Alberta announced plans to take action on homelessness. The provincial [action plan](#) included the following statement about supporting Ministry initiatives, however no action has yet been taken:

- In alignment with Stronger Foundations' Action 5.4: Introduce new programs and incentives to grow the supply of affordable housing. As part of this action, Alberta's government will explore policy and legislative changes that will provide tax exemptions and relief for more affordable housing projects, including exemption from municipal property taxes and provincial property education taxes.

During the Fall 2020 ABMunis' convention, a [resolution](#) seeking provincial support for addressing affordable housing received broad member support. While a number of the advocacy requests within this resolution still remain relevant, resolutions only have an active life of up to three years, therefore, this resolution will expire this year.

ALBERTA MUNICIPALITIES COMMENTS:

DRAFT