

Government of Alberta ■

BUDGET 2010

Striking the Right Balance

Housing and Urban Affairs

BUSINESS PLAN 2010–13

Alberta ■

Housing and Urban Affairs

BUSINESS PLAN 2010-13

ACCOUNTABILITY STATEMENT

The business plan for the three years commencing April 1, 2010 was prepared under my direction in accordance with the *Government Accountability Act* and the government's accounting policies. All of the government's policy decisions as of January 20, 2010 with material economic or fiscal implications of which I am aware have been considered in preparing the business plan.

The ministry's priorities outlined in the business plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this business plan.

Original signed by

Jonathan Denis, Q.C., *Minister of Housing and Urban Affairs*
January 21, 2010

THE MINISTRY

Housing and Urban Affairs manages and delivers programs that help Albertans meet their basic housing needs and, in doing so, contributes to the creation of safe, healthy and vibrant communities. The ministry consists of the Department of Housing and Urban Affairs and the Alberta Social Housing Corporation, an entity of the Crown established under the authority of the *Alberta Housing Act*. The Corporation operates as an administrative entity, holding housing assets and administering some of the housing programs. The ministry also includes the Alberta Secretariat for Action on Homelessness, which is responsible for monitoring the implementation of *A Plan for Alberta: Ending Homelessness in 10 Years*, and the Community Development Advisory Board, created to make recommendations regarding the development of Parsons Creek in Fort McMurray.

VISION

Housing solutions and supports contributing to the creation of safe, healthy and vibrant communities.

MISSION

To provide secure, sustainable and affordable housing to support the inclusion, well-being and independence of low-income Albertans, and assist urban communities in addressing their unique needs.

LINK TO THE GOVERNMENT OF ALBERTA STRATEGIC BUSINESS PLAN

The ministry is committed to the government's strategic business plan. The key linkages and contributions of the ministry to the Government of Alberta goals are highlighted below:

Government of Alberta Goal 6: Albertans will be independent and our children will be well cared for.

Government of Alberta Goal 9: Alberta will have strong and effective municipalities and self-reliant Aboriginal communities.

SIGNIFICANT OPPORTUNITIES AND CHALLENGES

Alberta continues to face challenges related to the availability of affordable housing and a large homeless population. The following opportunities and challenges have been identified as having the strongest potential implications for Housing and Urban Affairs during 2010-13.

Housing Pressures

The ministry's efforts to meet the need for affordable housing will continue to be influenced by economic conditions that could increase demand for affordable housing and supports for the homeless. While Alberta's slower economy has helped more people achieve homeownership, this goal remains unattainable for many low-income Albertans. Additionally, higher overall vacancy rates have not resulted in reduced rental costs for units in the lower rental range. As a result, more low-income Albertans may turn to Housing and Urban Affairs' programs for help in meeting their housing needs.

Current economic conditions do, however, present some new opportunities, especially as the ministry continues to develop additional affordable housing units. Lower construction costs will allow the ministry to develop more new units than budgets would originally have accommodated. This will result in a positive impact on government's long-term ability to provide secure, sustainable and affordable housing.

Homelessness

Homelessness continues to be a serious issue requiring ongoing action by governments, homeless serving agencies, the private sector, committees and individual Albertans. The homeless are our most vulnerable citizens and need help finding safe and secure housing, overcoming addictions, developing life skills and finding and keeping jobs. Higher unemployment rates, as a result of the current economic slowdown, may result in more households experiencing financial difficulties and potentially losing their homes.

In March 2009, the Government of Alberta adopted *A Plan for Alberta: Ending Homelessness in 10 Years*. The plan called for an investment to focus on rapidly re-housing homeless Albertans; providing client centred support services; and prevention through emergency assistance and the provision of adequate and accessible government programs and services. In its first year of implementation, important groundwork has been laid and the impact of these efforts,

including a substantial investment in constructing homes and providing outreach and support services for the homeless, will be felt over the next few years. The plan also benefits from strong stakeholder support, with many urban municipalities developing their own complementary plans. Financial contributions from the private and non-profit sectors in the development of housing for the homeless support the plan and its success.

Housing and Urban Affairs' strategy to address housing pressures and deliver on our commitments in *A Plan for Alberta: Ending Homelessness in 10 Years* includes working collaboratively with our partnering ministries. Cross-ministry initiatives such as the Safe Communities initiative, will support priorities for addressing homelessness. Housing and Urban Affairs will also work collaboratively with other ministries providing social based programs to ensure that programs serving Albertans most in need are efficient, effective and coordinated.

Urban Affairs

As Alberta's economy recovers, Alberta must prepare for future growth while continuing to address unique community capacity challenges and social issues such as poverty and unemployment, as they relate to housing and homelessness. These pressures are more prominent in large urban centres and if left unaddressed may have an adverse effect on the quality of life for some Albertans.

The current economy provides an excellent opportunity to invest in the residential development in high growth communities. The ministry is engaged in the development of the Parsons Creek lands in Fort McMurray. Parsons Creek is a traditional land development project that will convert 1,000 acres of raw, unserviced land into serviced parcels for sale to builders and developers. Parsons Creek will house approximately 24,000 residents when complete. Phase 1 will house approximately 6,500 residents in 2,200 housing units, 20 per cent of which will be dedicated to affordable housing.

STRATEGIC PRIORITIES

Through the ministry's review of internal and external factors, the strategic priorities described below have been identified.

- 1. Development of affordable housing units**

Linkage:

Goal 1

The ministry continues to support the development of 11,000 affordable housing units by 2012. Additional work will be undertaken to assess existing and future needs for affordable housing. Strong emphasis on a collaborative approach will result in innovative solutions while enhanced financial monitoring will improve accountability.
- 2. Help Albertans to stay in their homes**

Linkage:

Goal 1

The ministry will continue to help low-income Albertans obtain and retain safe and affordable housing by providing subsidized rental housing and rental assistance to households based on their level of need.
- 3. Implement the 10-Year Plan to address homelessness**

Linkage:

Goal 2

The ministry will continue to move forward with *A Plan for Alberta: Ending Homelessness in 10 Years*. The ministry will work with the Alberta Secretariat for Action on Homelessness, other ministries, municipalities and service providers to implement the plan and track progress.

4. Public land for affordable housing

Linkage:

Goal 3

The ministry will continue to work with other ministries, different levels of government and various stakeholders to ensure suitable public land is made available for affordable housing purposes. The immediate focus will be on the development of Parsons Creek Phase One in Fort McMurray. Twenty per cent of the housing units in Phase One will be dedicated toward affordable housing.

CORE BUSINESSES, GOALS, STRATEGIES & PERFORMANCE MEASURES

Core Business One: Provide a range of housing options and supports for low-income Albertans

GOAL ONE **1** Albertans in need have access to a range of safe and affordable housing options and supports

What It Means Low-income Albertans experiencing difficulty meeting their housing needs may benefit from public housing assistance. Housing and Urban Affairs provides affordable housing options and supports to help people gain and maintain their accommodation. The ministry also ensures that housing programs are responsive to Alberta's changing economy and meet individual and family needs while promoting safe and vibrant communities.

At present, housing assistance is provided to more than 89,000 Albertans through a variety of programs including subsidized rent in provincially and privately owned units. Ongoing monitoring of the demand for affordable housing and implementing proactive and cost effective solutions will continue to be priorities for the ministry.

- Strategies**
- 1.1 Continue to provide capital funding to support the development of 11,000 affordable housing units by 2012. This will address housing needs across the province with an emphasis on higher growth communities.
 - 1.2 Collaborating with municipalities, community agencies and the private sector to support innovative housing partnerships and better coordinate services and programs.
 - 1.3 Monitor the impact of programs that provide capital funding for the development of affordable housing units.
 - 1.4 Monitor the effectiveness of the ministry's subsidized rental housing programs to ensure safe and secure provincially owned and supported housing is sustainable for those most in need.

Performance Measure	Last Actual 2008-09	Target 2010-11	Target 2011-12	Target 2012-13
1.a Number of affordable housing units developed with support from provincial funding	2,955	1,585	1,650	1,650

Performance Measure Under Development:

Percentage of applicants on the family housing wait-list determined to be in critical need who are housed in 60 working days or less.

Core Business Two: Address homelessness

GOAL TWO

2 Homeless Albertans have access to stable housing and the supports they need to reach their highest levels of independence

What It Means Homelessness continues to be a concern in many of Alberta's urban centres. The complexity of the issue requires comprehensive solutions and enhanced collaboration between different levels of government, the private sector and non-profit agencies. The province will continue to support emergency shelters while shifting the focus toward providing permanent homes with the support services people need to gain independence.

- Strategies**
- 2.1 Provide capital funding to continue the development of suitable housing options for homeless individuals and families.
 - 2.2 Support the Alberta Secretariat for Action on Homelessness to implement the 17 strategies identified in *A Plan for Alberta: Ending Homelessness in 10 Years*.
 - 2.3 Collaborate with other ministries and agencies to coordinate homeless support initiatives and ensure the efficient and cost-effective delivery of services.
 - 2.4 Develop a coordinated information management system to collect data on the homeless population and track progress being made toward addressing homelessness.
 - 2.5 Support needed emergency shelter operations to ensure all homeless Albertans have access to emergency shelter on a nightly basis.

Performance Measure Under Development:

Number of homeless Albertans successfully housed in permanent accommodation.

Core Business Three: Identify and address unique issues affecting urban centres

GOAL THREE

3 Pressures related to housing and homelessness, including availability and access to suitable Government of Alberta owned land for development or redevelopment purposes, are effectively managed

What It Means Alberta continues to urbanize due to population growth, in-migration and migration from rural Alberta. This urbanization, combined with the economic downturn and higher unemployment, has resulted in higher demand for affordable housing and other social supports and increased focus on the development of public land for affordable housing.

Through the implementation of strategic initiatives and the management of key relationships, the ministry will continue to increase awareness of urban issues and initiatives related to land, housing and homelessness, and support innovative, effective, well-informed decision-making and policy development. The focus will be on urban centres with a population over 10,000, with particular attention to Edmonton, Calgary and Fort McMurray.

- Strategies**
- 3.1 Lead the development of land in Fort McMurray known as Parsons Creek, with recommendations from the Community Development Advisory Board, to ensure access and the timely release of serviced land.
 - 3.2 Collaborate with other ministries, different levels of government, and various stakeholders to ensure suitable public land is made available for affordable housing purposes, and to determine when the land should be released for development.
 - 3.3 Increase awareness of urban issues as they relate to housing and homelessness across government by participating in cross-ministry initiatives.
 - 3.4 Support initiatives that address urban social issues and support capacity building as they relate to housing and homelessness.

Performance Measure Under Development:

Number of acres of serviced land available for sale to developers.

EXPENSE BY CORE BUSINESS

(thousands of dollars)

	Comparable			2010-11 Estimate	2011-12 Target	2012-13 Target
	2008-09 Actual	2009-10 Budget	2009-10 Forecast			
Provide a range of housing options and supports for low-income Albertans	518,347	398,121	441,290	317,565	279,260	281,371
Address homelessness	132,117	178,572	178,262	188,427	188,427	192,962
Identify and address unique issues affecting urban centres	1,771	2,281	2,231	2,231	2,231	2,299
MINISTRY EXPENSE	652,235	578,974	621,783	508,223	469,918	476,632

MINISTRY STATEMENT OF OPERATIONS

(thousands of dollars)

	Comparable			2010-11 Estimate	2011-12 Target	2012-13 Target
	2008-09 Actual	2009-10 Budget	2009-10 Forecast			
REVENUE						
Transfers from Government of Canada	107,422	80,100	138,190	135,790	75,100	77,100
Investment Income	5,942	6,035	3,035	2,030	2,025	2,020
Other Revenue	11,950	6,225	6,225	6,200	6,190	6,190
MINISTRY REVENUE	125,314	92,360	147,450	144,020	83,315	85,310
EXPENSE						
Program						
Ministry Support Services	4,233	6,375	5,975	5,746	5,746	5,877
Housing Development and Operations	468,910	278,421	288,936	174,038	182,728	185,873
Homeless Support and Land Development	55,319	179,522	179,032	189,194	189,194	193,750
Policy and Urban Affairs	1,771	2,281	2,231	2,231	2,231	2,299
Alberta Social Housing Corporation - Housing Portfolio	99,857	93,405	126,639	119,561	74,181	74,713
Valuation Adjustments and Other Provisions	1,751	-	-	-	-	-
Program Expense	631,841	560,004	602,813	490,770	454,080	462,512
Debt Servicing Costs						
Alberta Social Housing Corporation	20,394	18,970	18,970	17,453	15,838	14,120
MINISTRY EXPENSE	652,235	578,974	621,783	508,223	469,918	476,632
Gain (Loss) on Disposal of Capital Assets	10,252	14,410	5,485	4,564	95	26,807
NET OPERATING RESULT	(516,669)	(472,204)	(468,848)	(359,639)	(386,508)	(364,515)

CONSOLIDATED NET OPERATING RESULT

(thousands of dollars)

	Comparable			2010-11 Estimate	2011-12 Target	2012-13 Target
	2008-09 Actual	2009-10 Budget	2009-10 Forecast			
Ministry Revenue	125,314	92,360	147,450	144,020	83,315	85,310
<i>Inter-ministry consolidation adjustments</i>	-	-	-	-	-	-
Consolidated Revenue	125,314	92,360	147,450	144,020	83,315	85,310
Ministry Program Expense	631,841	560,004	602,813	490,770	454,080	462,512
<i>Inter-ministry consolidation adjustments</i>	-	-	-	-	-	-
Consolidated Program Expense	631,841	560,004	602,813	490,770	454,080	462,512
Ministry Debt Servicing Costs	20,394	18,970	18,970	17,453	15,838	14,120
<i>Inter-ministry consolidation adjustments</i>	-	-	-	-	-	-
Consolidated Debt Servicing Costs	20,394	18,970	18,970	17,453	15,838	14,120
Consolidated Expense	652,235	578,974	621,783	508,223	469,918	476,632
Gain (Loss) on Disposal of Capital Assets	10,252	14,410	5,485	4,564	95	26,807
CONSOLIDATED NET OPERATING RESULT	(516,669)	(472,204)	(468,848)	(359,639)	(386,508)	(364,515)

CAPITAL INVESTMENT BY PROGRAM

(thousands of dollars)

	Comparable					
	2008-09 Actual	2009-10 Budget	2009-10 Forecast	2010-11 Estimate	2011-12 Target	2012-13 Target
Ministry Support Services	278	-	-	-	-	-
Homeless Support and Land Development	4	-	-	-	-	-
Alberta Social Housing Corporation - Housing Portfolio	5,722	-	19,030	68,090	-	-
MINISTRY CAPITAL INVESTMENT	6,004	-	19,030	68,090	-	-