

Housing and Urban Affairs

BUSINESS PLAN 2008-11



ACCOUNTABILITY STATEMENT

The business plan for the three years commencing April 1, 2008 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 March 18, 2008 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.

Yvonne Fritz, *Minister of Housing and Urban Affairs*
April 3, 2008

THE MINISTRY

Housing and Urban Affairs delivers capital funding and program initiatives to assist lower-income Albertans in meeting their housing needs and to ensure affordable housing is available to Albertans. The Ministry also delivers programs and services to assist the homeless with safe shelter options and identifies and responds to emerging urban issues. The Ministry includes the Department of Housing and Urban Affairs and the Alberta Social Housing Corporation. The Alberta Social Housing Corporation is an entity of the Crown established under the authority of the *Alberta Housing Act*. The Corporation operates as an administrative entity for holding housing assets and administering housing programs.

VISION

Housing solutions and supports for safe, healthy and vibrant communities.

MISSION

Contribute to the inclusion, well being, and independence of lower-income Albertans through safe, sustainable and affordable housing, and assist urban communities in addressing their unique needs.

VALUES

Housing and Urban Affairs is guided by the following Alberta Public Service Values:

Respect – we foster an environment in which each individual is valued and heard.

Accountability – we are responsible for our actions and for contributing to the effectiveness of the public service.

Integrity – we behave ethically and are open, honest and fair.

Excellence – we use innovation and continuous improvement to achieve excellence.

LINK TO THE GOVERNMENT OF ALBERTA STRATEGIC BUSINESS PLAN

The following goals in the three-year Government of Alberta Business Plan are supported: Goal 6 – *Albertans will be independent and our children will be well cared for* and Goal 9 – *Alberta will have strong and effective municipalities and self-reliant Aboriginal communities.*

Government of Alberta Priority

Housing and Urban Affairs works with other ministries to achieve the Government of Alberta priority:

- *Promote strong and vibrant communities and reduce crime so Albertans feel safe.*

SIGNIFICANT OPPORTUNITIES AND CHALLENGES

Alberta municipalities and communities continue to face growth, capacity and sustainability challenges. There continues to be ongoing pressure on the availability of affordable housing and growing numbers of homeless, in addition to urban municipalities facing unique issues or circumstances. Three opportunities and challenges have been identified.

Housing Pressures

In-migration and immigration to the province continues to be strong, creating more demand on the housing sector. The number of growing communities experiencing housing pressures has increased and now encompasses both rural and urban municipalities. Rental rates are higher, while vacancy rates remain at historic lows in many of the larger communities. The supply of new housing continues to focus on ownership as opposed to rentals, and more rental buildings are being sold as condominiums. Lower-income Albertans whose incomes have stayed relatively flat during this period of economic growth, are finding it harder to pay for suitable accommodation.

The province will continue to support communities to help address their distinct housing needs through capital funding and initiatives.

Homelessness

Alberta faces a significant homelessness challenge. To address this challenge and break the cycle of homelessness, the Minister established the Alberta Secretariat for Action on Homelessness which will develop a provincial 10-year plan to address homelessness.

The Secretariat will work closely with urban municipalities to support them in the development of their regional homelessness strategies, using the best practices that have worked in other jurisdictions.

There has been a shift in housing program funding to support outreach services for the homeless through pilot programs. For example Pathways to Housing's Hospital Discharge Program in Calgary assists chronically homeless people who are discharged from the hospital system. Another pilot program is the Canadian Mental Health Association's Housing Outreach Program in Lethbridge. This program uses a team-based approach, including case management, to provide outreach services like mental health and addiction assistance. Alberta will continue to work towards housing solutions coupled with the necessary supports for the vulnerable homeless population.

Urban Affairs

Alberta has experienced a rapid pace of economic growth that has led to increased population growth from in-migration and immigration. In turn, housing pressures have increased, followed by increasing demand in other public services and infrastructure. These problems are particularly acute in major urban centres.

The lack of affordable housing and significant rental increases in the large urban centres are contributing factors that make it difficult to fill the growing gaps in the workforce and seriously impacts people who are employed in lower paying jobs. The large urban centres are finding it a challenge to provide the services and infrastructure required to meet the community needs associated with this growth. The Ministry of Housing and Urban Affairs will work closely with other provincial government departments and urban municipalities to ensure the unique needs of urban centres are identified and addressed.

STRATEGIC PRIORITIES 2008-11

Through the Ministry's review of external and internal challenges, the strategic priorities described below have been identified. These are in addition to important ongoing core activities of the Ministry.

BUILDING OUR QUALITY OF LIFE

1. Affordable Housing Units

Linkage: Goal 1

The Ministry will respond to the increasing needs of Albertans for affordable housing through the development of 11,000 affordable housing units by 2012. Available resources will be targeted to address increased housing pressures for affordable and aboriginal off-reserve housing. The Ministry will work with public and private stakeholders to develop innovative solutions to providing affordable housing and support services.

The approved recommendations from the Alberta Affordable Housing Task Force Report will be implemented through cross-ministry collaboration.

Housing priorities identified by the Oil Sands Ministerial Strategy Committee and the Oil Sands Sustainable Development Secretariat will be implemented to help address immediate and longer-term housing pressures in Fort McMurray.

- 2. Addressing Homelessness**

The Ministry has established the Alberta Secretariat for Action on Homelessness to develop the provincial 10-year plan to address homelessness.

Linkage: Goal 2

The Secretariat's 10-year Provincial Strategic Plan to Address Homelessness will outline a comprehensive, coordinated and sustainable approach to solve this serious social issue. The provincial plan will outline strategies for addressing the root causes of homelessness and will include measureable goals and objectives to ensure that progress is made.
- 3. Public Land for Affordable Housing**

The Ministry will work with other provincial government departments to make suitable additional public land available for affordable housing purposes.

Linkage: Goal 1
- 4. Rent Supplement Program and Homeless and Eviction Prevention Fund**

The Ministry will help Albertans stay in their homes through programs like the Direct Rent Supplement Program and the Homeless and Eviction Prevention Fund. It will continue to deliver programs to assist Albertans in obtaining and retaining suitable, safe accommodation.

Linkage: Goal 1
- 5. Address emerging urban issues**

The Ministry will work closely with other provincial government departments and urban municipalities to identify and address the unique needs of large urban centres. Examples of these needs may include affordable housing, social services and public infrastructure.

Linkage: Goal 3

CORE BUSINESSES, GOALS, STRATEGIES & PERFORMANCE MEASURES

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

GOAL ONE **1** **Albertans have access to a range of housing options and effectively managed housing programs that are focused on those most in need**

What it means Lower-income Albertans, at different stages of their lives, may have difficulty meeting their housing needs. The Ministry funds a range of housing options targeted to families, individuals, seniors and persons with disabilities to help people with lower incomes establish and maintain independent living situations.

Housing supports are provided to almost 105,000 Albertans through a variety of programs that range from basic shelter space to subsidized rent in provincially and privately owned buildings, and through a significant increase in the creation of new housing units. The Ministry will ensure housing programs are responsive to Alberta's economy and individual and family needs. Ongoing monitoring of the province's affordable housing situation and implementation of proactive and timely solutions are priorities.

Strategies

- 1.1 Implement the approved longer-term recommendations as identified by the Alberta Affordable Housing Task Force Report focusing on the acute shortage of affordable and accessible housing across Alberta. Attention will be focused on providing funding to address housing priorities in high-growth communities, such as the creation of new units, secondary suites, transitional housing and rent supplement units, or the purchase or renovation of existing units. There will also be a focus on better integration of planning and policy, including a consistent definition of affordable housing for provincial programs, and developing a coordinated approach for the provision of services to the homeless, through the development of a comprehensive housing strategy.
- 1.2 Support innovative housing partnerships and solutions, including the promotion of best practices, through collaboration between municipalities and/or the public and private sector to increase the number of affordable housing units in Alberta.
- 1.3 Monitor the effectiveness of the new Direct Rent Supplement Program that provides funding directly to qualified Alberta households to increase their ability to afford suitable housing.
- 1.4 Actively work in partnership with housing operators to ensure housing programs continue to meet the changing needs of tenants who are served in over 40,000 housing units.
- 1.5 Focus available resources to maintain the provincially owned and supported housing portfolio of approximately 25,600 units.

Performance Measures	Last Actual (2006-07)	Target 2008-09	Target 2009-10	Target 2010-11
1.a Number of affordable housing units developed with support from provincial funding	628	2,200	2,200	2,350

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: Homelessness and Transitional Housing

GOAL TWO

2

Homeless Albertans have access to emergency shelters and transitional housing

What it means Data indicates that homeless populations are increasing across the province. For example, in the larger urban centres conducting homeless surveys, there was an average increase of 29 per cent in the number of homeless people between 2004 and 2006. As a result, there is an ongoing need for emergency and transitional shelters and an increased need for shelter spaces in the winter months, to ensure the health and safety of homeless Albertans.

Strategies

- 2.1 Continue to address and meet the need for emergency shelter.
- 2.2 Explore effective service delivery models in collaboration with other ministries to support the move of individuals from shelters to transitional housing as they move toward self-sufficiency.
- 2.3 Support additional transitional facilities by increasing funding to address the transition from homelessness to more stable housing solutions.
- 2.4 Support the Alberta Secretariat for Action on Homelessness with developing a 10-year plan to address homelessness.

Performance Measure Under Development:
Number of households accessing new transitional housing units.

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

GOAL THREE **3** Growth pressures faced by urban municipalities are effectively managed by focusing on sustainable solutions

What it means Through partnership, cooperation, leadership and coordination, the Ministry will support Alberta's urban communities by addressing pressures related to economic growth faced by urban areas including access to safe and secure housing, public infrastructure, crime prevention, social services and other important services.

Strategies

- 3.1 Work with urban municipalities to identify the unique pressures they are experiencing due to high levels of growth.
- 3.2 Liaise with other Government of Alberta ministries to address these unique urban needs.
- 3.3 Coordinate cross-ministry innovative initiatives to address urban centre issues as a result of growth pressures.
- 3.4 Ensure ongoing access to and the timely release of suitable land for the purpose of developing more affordable housing in high-growth municipalities.

Performance Measures:

The Ministry is newly established and is in the process of developing performance measures that indicate progress made toward meeting this goal.

EXPENSE BY CORE BUSINESS

(thousands of dollars)

	Comparable			2008-09 Estimate	2009-10 Target	2010-11 Target
	2006-07 Actual	2007-08 Budget	2007-08 Forecast			
Housing Options and Supports for Lower-income Albertans	254,486	324,372	443,489	495,691	462,648	461,440
Homelessness and Transitional Housing	42,692	33,809	84,486	96,800	98,800	98,800
Urban Affairs	1,309	1,508	1,622	2,276	2,353	2,433
MINISTRY EXPENSE	298,487	359,689	529,597	594,767	563,801	562,673

MINISTRY STATEMENT OF OPERATIONS

(thousands of dollars)

	Comparable			2008-09 Estimate	2009-10 Target	2010-11 Target
	2006-07 Actual	2007-08 Budget	2007-08 Forecast			
REVENUE						
Transfers from Government of Canada	125,006	105,399	106,899	100,474	74,236	74,206
Investment Income	4,337	3,150	6,150	7,060	7,555	8,050
Premiums, Fees and Licences	-	105	5	5	5	5
Other Revenue	6,054	65	2,351	165	165	155
MINISTRY REVENUE	135,397	108,719	115,405	107,704	81,961	82,416
EXPENSE						
Program						
Ministry Support Services	2,438	3,023	3,373	4,480	4,687	4,653
Housing Services	191,117	287,526	457,166	521,748	491,923	492,266
Policy and Urban Affairs	1,309	1,508	1,622	2,276	2,353	2,433
Alberta Social Housing Corporation - Housing Portfolio	44,349	45,897	45,625	45,868	45,868	45,868
Valuation Adjustments and Other Provisions	54	-	76	-	-	-
Program Expense	239,267	337,954	507,862	574,372	544,831	545,220
Debt Servicing Costs						
Alberta Social Housing Corporation	59,220	21,735	21,735	20,395	18,970	17,453
MINISTRY EXPENSE	298,487	359,689	529,597	594,767	563,801	562,673
Gain (Loss) on Disposal of Capital Assets	18,181	13,254	20,039	16,686	12,024	12,172
NET OPERATING RESULT	(144,909)	(237,716)	(394,153)	(470,377)	(469,816)	(468,085)

CONSOLIDATED NET OPERATING RESULT

(thousands of dollars)

	Comparable			2008-09 Estimate	2009-10 Target	2010-11 Target
	2006-07 Actual	2007-08 Budget	2007-08 Forecast			
Ministry Revenue	135,397	108,719	115,405	107,704	81,961	82,416
<i>Inter-ministry consolidation adjustments</i>	-	-	-	-	-	-
Consolidated Revenue	135,397	108,719	115,405	107,704	81,961	82,416
Ministry Program Expense	239,267	337,954	507,862	574,372	544,831	545,220
<i>Inter-ministry consolidation adjustments</i>	-	-	-	-	-	-
Consolidated Program Expense	239,267	337,954	507,862	574,372	544,831	545,220
Ministry Debt Servicing Costs	59,220	21,735	21,735	20,395	18,970	17,453
<i>Inter-ministry consolidation adjustments</i>	(36,227)	-	-	-	-	-
Consolidated Debt Servicing Costs	22,993	21,735	21,735	20,395	18,970	17,453
Consolidated Expense	262,260	359,689	529,597	594,767	563,801	562,673
Gain (Loss) on Disposal of Capital Assets	18,181	13,254	20,039	16,686	12,024	12,172
CONSOLIDATED NET OPERATING RESULT	(108,682)	(237,716)	(394,153)	(470,377)	(469,816)	(468,085)