

Housing and Urban Affairs

BUSINESS PLAN 2009-12

ACCOUNTABILITY STATEMENT

The business plan for the three years commencing April 1, 2009 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 12, 2009 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*
March 18, 2009

THE MINISTRY

Housing and Urban Affairs helps create safe, healthy and vibrant communities by providing secure, sustainable and affordable housing to homeless and lower income Albertans in need. The Ministry manages and delivers programs which help these Albertans meet their basic housing needs. In partnership with the Alberta Secretariat for Action on Homelessness, the Ministry champions Alberta's goal to end homelessness, as we know it today, by moving the homeless out of shelters and into permanent housing. Furthermore, as urban municipalities continue to face growth, capacity and sustainability challenges, the Ministry is leading and collaborating with other organizations to address these needs as they relate to housing and homelessness. The Ministry also ensures the timely release of provincially owned land for affordable housing purposes. 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 funding some housing programs.

VISION

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

MISSION

To provide secure, sustainable and affordable housing to support the inclusion, well being and independence of lower 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 and priorities are highlighted below:

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

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

There continues to be pressures in Alberta regarding the availability of affordable housing and the increasing number of homeless people. These challenges are exacerbated by the fact that urban municipalities with populations greater than 10,000 face unique issues due to population and economic growth.

Housing Pressures

Changes in Alberta's economy, including the recent global downturn, have placed pressure on Alberta's housing market. While overall housing affordability is improving, the supply of affordable housing remains low, particularly in the areas of rental housing and entry-level home-ownership. The average resale price for single family homes and condominiums remains high, and the trend for rental rates is forecasted to rise, this in spite of an increase in vacancy rates for rental accommodation. These pressures will continue to negatively impact lower income Albertans who are challenged to find secure and affordable accommodation. With our partners, the Ministry will continue to deliver programs aimed at keeping lower income Albertans in their homes.

Homelessness

The homeless are some of our most vulnerable citizens who need help finding safe and secure housing, overcoming addictions, finding and keeping jobs, and developing necessary life skills. With our partners, the Ministry is providing emergency, transitional, subsidized and permanent housing to Albertans in need of shelter and support. Unfortunately, homelessness in Alberta is not diminishing and it demands definitive action. The changing Alberta economy may lead to more households experiencing financial difficulties which in turn may result in increased homelessness. Alberta may continue to see a net in-migration increase, and in spite of a softening in the provincial economy, our economy is expected to outperform others. This may place additional pressure on both the affordable housing inventory and provincially funded homeless initiatives.

The Alberta Secretariat for Action on Homelessness led the development of *A Plan for Alberta – Ending Homelessness in 10 Years* to address homelessness. The Ministry is implementing the 10-Year Plan by partnering closely with urban municipalities to support their local plans which are based on a *Housing First* model. *Housing First* is an approach to ending homelessness that centers on providing homeless people with housing quickly, and then providing services such as addictions counseling, employment training and mental health supports as needed.

Urban Affairs

Alberta's economic and population growth has brought pressures that are unique to urban centres and have negatively affected the quality of life for some Albertans. This growth has increased pressures on physical infrastructure and social services. Large urban centres have been challenged to address urban social issues related to housing and homelessness, while ensuring that they have capacity to remain sustainable into the future. The Ministry of Housing and Urban Affairs is leading efforts with urban centres in response to these unique challenges and opportunities.

STRATEGIC PRIORITIES 2009-2012

Through the Ministry's review of environmental factors, the strategic priorities described below have been identified.

BUILDING OUR QUALITY OF LIFE

- 1. Development of affordable housing units**

Linkage: Goal 1

The Ministry will continue to develop 11,000 affordable housing units by 2012 in response to the increased need for affordable housing for lower income Albertans. Partnerships will be established to develop additional affordable housing units by allocating block funding directly to municipalities, as well as through a request for proposals process for conditional grant funding that will be made available to municipalities, the non-profit and the private sectors.
- 2. Implement the 10-Year Plan to address homelessness**

Linkage: Goal 2

The Government of Alberta has established a 10-Year Plan to end homelessness. The 10-Year Plan outlines a comprehensive, coordinated and sustainable approach which changes government's focus from managing homelessness to ending it as we know it today. Based on the *Housing First* model and appropriate support services, the plan outlines strategies and measureable goals and objectives to ensure that progress is made. The Ministry will work with the Alberta Secretariat for Action on Homelessness, other departments, municipalities and service providers to implement and track the 10-Year Plan.
- 3. Public land for affordable housing**

Linkage: Goal 3

The Ministry will work with other provincial government departments to ensure suitable public land is made available for affordable housing purposes. The Ministry will lead the development of approximately 1,000 acres of land in the Fort McMurray area known as Parsons Creek, with the advice of a Community Development Advisory Board. This development is aligned with the Oilsands Sustainable Development Secretariat's Community Development Plan to accelerate the development of much-needed housing and community services in the Fort McMurray region.

4. **Help Albertans to stay in their homes** The Ministry will assist lower income Albertans to obtain and retain safe, secure and affordable housing by providing subsidized rental housing options, the Homeless and Eviction Prevention Fund, and direct rental assistance to qualified Alberta households.
- Linkage: Goal 1** These efforts contribute to Alberta's goal to create safe, healthy and vibrant communities and will keep lower income Albertans in their homes.
5. **Address emerging urban issues** Through its efforts, Housing and Urban Affairs will help improve the quality of life in urban municipalities and support the development of modern, diverse and vital centres of economic activity. The Ministry will conduct and support housing and homelessness research and related projects in the areas of urban social and community capacity building.
- 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 in need have access to a range of affordable housing options and effectively managed housing programs**

What it means

Lower income Albertans, at different stages of their lives, may have difficulty meeting their housing needs without some form of public housing assistance. The Ministry will be responsive to changing Alberta market conditions and housing needs of this constituency by seeking cost effective solutions, innovative partnerships, and program enhancements.

At present, housing supports are provided to more than 115,000 Albertans through a variety of programs including basic shelter space, subsidized rent in provincially and privately owned buildings, and affordable housing units. Ongoing monitoring of the province's affordable housing situation and implementing proactive and timely solutions will continue to be priorities for the Ministry.

Strategies

- 1.1 Continue to develop 11,000 affordable housing units by 2012 through capital funding to leverage innovative housing partnerships, best practices, and local solutions. This will address housing needs around the Province with an emphasis on higher-growth communities.
- 1.2 Monitor the effectiveness of programs that provide capital funding for the development of affordable housing units.
- 1.3 Monitor the effectiveness of subsidized rental housing programs that are delivered by Management Bodies and non-profit groups, to ensure safe and secure provincially owned and supported housing is available for Albertans most in need.
- 1.4 Review and adjust housing programs that provide direct funding to qualified Alberta households in private market accommodation, including benefits provided under the Homeless Eviction Prevention Fund, relative to their ability to afford and remain in suitable housing.

Performance Measure	Last Actual 2007-08	Target 2009-10	Target 2010-11	Target 2011-12
1.a Number of affordable housing units developed with support from provincial funding	3,406	2,200	2,350	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 – targets of 20 per cent in 2009-10, 25 per cent in 2010-11, and 33 per cent in 2011-12.

Core Business Two: Address homelessness

GOAL TWO **2 Homeless Albertans have access to stable housing and support services to address their challenges**

What it means

Homelessness is increasing across the province with the reasons behind homelessness being many and complex, such as addictions, mental illness, family breakdown and loss of employment. Alberta’s 10-Year Plan to end homelessness is a comprehensive, coordinated and sustainable approach to address this serious matter, outlining strategies and measureable goals. The main principle behind Alberta’s 10-Year Plan is the *Housing First* model which shifts the delivery objective from finding the homeless person a place to sleep, to finding the individual a place to live where the underlying causes of homelessness can be addressed.

In the near-term and while the 10-Year Plan initiatives are being implemented, the province will continue to support current shelter operations and winter emergency facilities.

Strategies

- 2.1 Commit capital funding for the development of suitable safe housing options for homeless individuals and families.
- 2.2 Support the delivery of services that will enable the homeless to obtain and remain in permanent housing.
- 2.3 Work with other ministries to develop a coordinated information management system to track the homeless population and progress being made to resolve the underlying causes of homelessness.
- 2.4 Partner with other ministries to coordinate homeless support initiatives to ensure cost effective and efficient delivery of services.
- 2.5 Continue to support required emergency shelter operations.

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** Growth pressures faced by urban centres are effectively managed

What it means

Through cooperation, leadership and coordination, the Ministry will identify and address Alberta's urban issues related to housing and homelessness. This will include access to safe and secure housing, neighbourhood renewal, community capacity building, and the timely release of provincially owned land for affordable housing and other important services. The focus will be on urban centres with populations over 10,000, with particular attention to Calgary and Edmonton.

Strategies

- 3.1 Increase awareness of urban issues as they relate to housing and homelessness across government through participation in cross-ministry committees.
- 3.2 Support projects that address urban social issues and support capacity building as they relate to housing and homelessness.
- 3.3 Work with Ministry staff, municipalities and other provincial ministries to apply an urban filter to Government of Alberta policy and program development.
- 3.4 Lead the development of land in Fort McMurray known as Parsons Creek, with recommendations from the Community Development Advisory Board, to ensure ongoing access to and the timely release of serviced land.
- 3.5 Lead the Cross-Ministry Land Disbursement Policy Framework for Affordable Housing, which identifies provincial land that may be sold to municipalities and non-profit groups for a nominal sum for creating affordable housing.

Performance Measure Under Development:

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

MINISTRY SUPPORT SERVICES

Ministry Support Services enable the smooth delivery of Housing and Urban Affairs' programs and services to support the achievement of all Ministry goals, including:

- Accurate, concise and timely communications with clients, stakeholders and the public.
- Expertise in strategic policy development, statistical analysis and dissemination of information, program guideline development, strategic planning, reporting, evaluation, research, legislative planning, business planning, enterprise risk management and business continuity planning.
- Advice and professional services in strategic human resource management to maintain our workforce's capacity to achieve Ministry goals.
- Develop and implement leading-edge strategic financial and accounting policies, practices and controls to support budget planning, forecasting and reporting.

- Develop, integrate and adopt Information Technology (IT) systems which support business critical program and service delivery.
- These services do not directly fall under a specific business plan goal, but contribute to the overall success of the Ministry.

EXPENSE BY CORE BUSINESS

(thousands of dollars)

	Comparable			2009-10 Estimate	2010-11 Target	2011-12 Target
	2007-08 Actual	2008-09 Budget	2008-09 Forecast			
Provide a range of housing options and supports for lower-income Albertans	439,619	492,085	510,515	358,121	252,004	394,389
Address homelessness	87,860	100,406	136,206	212,572	198,472	298,472
Identify and address unique issues affecting urban centres	1,574	2,276	2,276	2,281	2,281	2,281
MINISTRY EXPENSE	529,053	594,767	648,997	572,974	452,757	695,142

MINISTRY STATEMENT OF OPERATIONS

(thousands of dollars)

	Comparable			2009-10 Estimate	2010-11 Target	2011-12 Target
	2007-08 Actual	2008-09 Budget	2008-09 Forecast			
REVENUE						
Transfers from Government of Canada	106,441	100,474	108,618	80,100	82,300	84,500
Investment Income	6,453	7,060	7,040	6,035	7,030	8,525
Premiums, Fees and Licences	-	5	-	-	-	-
Other Revenue	8,375	165	230	225	200	190
MINISTRY REVENUE	121,269	107,704	115,888	86,360	89,530	93,215
EXPENSE						
Program						
Ministry Support Services	3,325	4,480	4,480	6,375	6,375	6,375
Housing Development and Operations	409,990	465,342	516,122	319,958	201,158	345,158
Homeless Support and Land Development	44,940	56,406	59,856	179,522	179,622	279,622
Policy and Urban Affairs	1,574	2,276	2,276	2,281	2,281	2,281
Alberta Social Housing Corporation - Housing Portfolio	47,152	45,868	45,868	45,868	45,868	45,868
Valuation Adjustments and Other Provisions	338	-	-	-	-	-
Program Expense	507,319	574,372	628,602	554,004	435,304	679,304
Debt Servicing Costs						
Alberta Social Housing Corporation	21,734	20,395	20,395	18,970	17,453	15,838
MINISTRY EXPENSE	529,053	594,767	648,997	572,974	452,757	695,142
Gain (Loss) on Disposal of Capital Assets	22,007	16,686	16,686	14,410	14,513	14,614
NET OPERATING RESULT	(385,777)	(470,377)	(516,423)	(472,204)	(348,714)	(587,313)

CONSOLIDATED NET OPERATING RESULT

(thousands of dollars)

	Comparable			2009-10 Estimate	2010-11 Target	2011-12 Target
	2007-08 Actual	2008-09 Budget	2008-09 Forecast			
Ministry Revenue	121,269	107,704	115,888	86,360	89,530	93,215
<i>Inter-ministry consolidation adjustments</i>	-	-	-	-	-	-
Consolidated Revenue	121,269	107,704	115,888	86,360	89,530	93,215
Ministry Program Expense	507,319	574,372	628,602	554,004	435,304	679,304
<i>Inter-ministry consolidation adjustments</i>	-	-	-	-	-	-
Consolidated Program Expense	507,319	574,372	628,602	554,004	435,304	679,304
Ministry Debt Servicing Costs	21,734	20,395	20,395	18,970	17,453	15,838
<i>Inter-ministry consolidation adjustments</i>	-	-	-	-	-	-
Consolidated Debt Servicing Costs	21,734	20,395	20,395	18,970	17,453	15,838
Consolidated Expense	529,053	594,767	648,997	572,974	452,757	695,142
Gain (Loss) on Disposal of Capital Assets	22,007	16,686	16,686	14,410	14,513	14,614
CONSOLIDATED NET OPERATING RESULT	(385,777)	(470,377)	(516,423)	(472,204)	(348,714)	(587,313)