

# *An Analytical Framework for Affordable Housing in Calgary: Proposals for New Policies*

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## **1. Problem Definition:**

Currently, Calgary is facing a critical supply shortage of affordable market rental accommodation and non-market housing for low-income or ‘core need’ residents. ‘Core need,’ refers to those households who, in the private rental market, would have to pay 30% or more of their income for suitable and adequate housing.<sup>1</sup> This has created a situation in which single persons and families with children are being inappropriately housed in overcrowded, unhealthy and unsafe housing. Although Calgary has one of the highest standards of living in Canada, this advantage is not shared by all of its citizens. As of 1996, approximately 21% of Calgary’s population had incomes below the low-income cut-off, and as of July 2001, 1,800 people were on waiting lists for affordable housing in Calgary.<sup>2</sup>

The current shortage of affordable housing for low-income residents is the result of a number of factors relating to supply and demand. On the demand side, there are issues involving poverty, increasing homelessness, and a rapidly growing population, all combined with the high cost of living in Calgary. On the supply side, issues include a lack of funding for existing social housing and the creation of additional affordable housing, a decreasing vacancy in the private rental market, increasing rent prices, a lack of private development of affordable housing, and the absence of a comprehensive

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<sup>1</sup> The City of Vancouver, Low-Income Survey.

<sup>2</sup> The City of Calgary, *Low-Income Programs Review: Additional Discussion Guide*.

housing policy. Essentially, the current supply of affordable housing in Calgary is unable to meet the increasing demand. In the past, Calgary has tended to be more reactive than proactive, acting primarily in crisis situations, when addressing the shortage of affordable housing. The City of Calgary's previous attempts to deal with affordable housing issues have consisted of short-term 'fixes,' rather than a long-term outlook.<sup>3</sup>

Presently, low-income residents in Calgary are finding themselves in a difficult situation, in which the current market place is unable to meet their needs, and government funding to support and create additional affordable housing is extremely limited. Historically, the responsibility for funding social housing has been assumed by the provincial and federal governments. However, in the last eight years, both levels of government have significantly reduced their involvement in funding social and non-profit housing.<sup>4</sup> With limited financial support from higher levels of government, municipal governments and communities are increasingly expected to find solutions to address the lack of affordable housing. Although the City of Calgary recognizes that there is a supply shortage of affordable housing for low-income citizens, because of its limited ability to leverage significant financial support, it finds itself in a difficult position to deal with such issues. As the community and the private market are not in a position in which they are held responsible for dealing with such issues, the City, within the limits of its authority and financial capability, has been inefficient in creating additional affordable, low-income housing. Furthermore, due to the lack of government funding, non-profit organizations, co-operatives, and housing associations are strained for resources to create additional affordable housing to supplement the existing supply.

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<sup>3</sup> Boucher, Laurie. The City of Calgary, Community Strategies Division.

<sup>4</sup> This City of Calgary, *Meeting the Critical Need for Affordable Housing in Calgary.*

This has resulted in a situation in which non-profit organizations, co-operatives, and housing associations are forced to look for funding from other areas. Therefore, the current problem is that there are a variety of groups, each performing similar functions, aimed at similar goals, yet they are working in isolation from one another. This form of organization is inefficient, costly and time-consuming, as each group is vying for funding from the same sources and having to work with minimal resources as a result. Therefore, non-profit organizations, co-operatives and housing associations need to form partnerships to work together to streamline their efforts. Also, in the absence of a strategic, comprehensive housing policy, there are a number of missed opportunities for the private market and for the City of Calgary to draw upon to address the supply shortage of affordable housing. The implementation of policies to encourage partnerships between these stakeholders would assist in the creation of affordable housing.

## **2. The Context: Institutional and Societal Influences**

### **i.) Institutional Values:**

It is a common ideology that adequate, affordable and appropriate housing is necessary for social stability and quality of life. Housing is viewed as a basic human need, fundamental for people to be able to fulfill their other needs such as parenting, community involvement, employment, health, and safety. Historically, the Canadian government has played a significant role in the provision of affordable housing. However, as the Constitution Act does not clearly assign housing policy to either federal or provincial governments, this vague assignment of responsibility has resulted in a

constantly shifting relationship between the federal and provincial government in housing matters. In 1973, the Federal Minister responsible for the Canada Housing and Mortgage Corporation (CMHC) stated explicitly, “It is the fundamental right of Canadians regardless of their economic circumstances, to enjoy adequate shelter at a reasonable cost.”<sup>5</sup> However, as higher levels of government withdraw their involvement in affordable housing issues, the provinces and, more so, the municipalities are being given greater responsibility in providing affordable housing for Canadians.

**ii.) Calgary’s Political Context:**

Calgary is a rapidly growing city, increasing by 30,000 residents each year, forecasting a population that’s anticipated to reach the 1.25 million by 2020.<sup>6</sup> As the population continues to increase, the city has to face a number of ‘big city problems.’ These include social problems such as poverty, homelessness and crime, and a number of planning issues regarding physical growth, urban sprawl and transportation. It would therefore appear, that the current shortage of affordable housing is in competition with a number of issues also demanding the City’s attention. In light of the recent election, it is clear that Calgary’s current priorities are not focused on the shortage of affordable housing for low-income residents, but rather on transportation issues and growth management. While governments are constantly forced to exercise budget restraint, funding for affordable housing projects is minimized. As the responsibility to provide affordable housing is transferred to the provincial and municipal levels of government,

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<sup>5</sup> Fallis, George. *The Federal Government and the Metropolitan Housing Problem* p.58

<sup>6</sup> Calgary Herald. An article titled, “*Mayoral Hopefuls Balance Boundaries With Need for Elbow Room for City.*”

these governments often find that they are unable to meet the demand for adequate affordable housing for low-income citizens.

**iii.) The Demographic Situation:**

As Calgary's current demographics point to a large population of medium to high-income persons and families living in and migrating to Calgary, it is becoming evident that the gap between those who have an adequate income to meet basic housing needs, and those who do not, is growing larger. In a city where the majority of its residents can afford market housing, there still remains a significant low-income population unable to secure affordable housing and is therefore, being "squeezed" out of the current housing market.<sup>7</sup> In a recent article regarding Calgary's homelessness situation, Dermot Baldwin, executive director of the Drop-In Centre in Calgary stated that, despite Calgary's availability of temporary shelter, it is the lack of long-term affordable housing that troubles him. Everyday, people are lured to Calgary by jobs and opportunity but soon discover the city's high cost of living. It often takes up to several months to save enough money for rent, damage deposit, utilities and other start-up costs.<sup>8</sup>

**iv.) Societal Attitudes:**

Another significant and real problem in Calgary's communities is the 'Not In My Backyard syndrome', commonly known as "NIMBY."<sup>9</sup> People are worried that affordable housing will reduce property values, increase traffic and contribute to the lack of safety in their communities. As a result, no one wants to be near affordable housing.

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<sup>7</sup> Boucher referring to the current demographic situation in Calgary.

<sup>8</sup> Calgary Herald. An article titled, "*Shelters See Role as Stepping Stone.*"

<sup>9</sup> Boucher referring to community attitudes regarding affordable housing.

These attitudes and concerns contribute to the difficulties encountered by the City when trying to find suitable locations and introduce housing strategies and policies for creating affordable housing. Yet, many of these concerns are unfounded, as they are often based on a lack of information and knowledge regarding affordable housing.

**v.) The Market Place:**

It is also assumed that issues surrounding the availability of affordable rental housing will be taken care of in the market place, often through the form of secondary suites. Although secondary suites remain illegal in Calgary unless designated, they still provide an important stock of rental housing, as they often have rents that are below the open market's rates.<sup>10</sup> However, seeing that Calgary's stock of secondary suites is not increasing to meet the demand, it would appear that the market place is not currently meeting the needs of low-income residents. In his book titled "*Homelessness: The Making and Unmaking of a Crisis*", Jack Layton suggests that the market in Calgary is too tight. From 1995 to 1998, 3,500 rental apartments were converted to condominiums, while only 58 new rental units were started in 1998. As rents increased, remaining rental units were not within the affordability range for low-income tenants.<sup>11</sup>

**3. Institutional Framework: The Actors and Institutions Involved**

**i.) How is Affordable Housing Provided:** There are a number of ways in which affordable housing is provided for low-income citizens. This section will provide an

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<sup>10</sup> Layton, Jack.. *Homelessness: The Making and Unmaking of a Crisis* p.169.

<sup>11</sup> Layton p.111.

overview of the ways in which affordable housing is provided and will define the terms.

- **Private Market Rental:** Owned and operated by private landlords for profit.
- **Secondary Suites:** Homes that have a second unit for a renter. These rental accommodations remain illegal in Calgary unless designated. They are owned and operated by private landlords, and the landlord determines the rent. Secondary suites provide an important stock of affordable housing for low-income tenants.
- **Apartments:** Rental units that are developed and owned by the private market. Rents are determined by the landlord, and are usually set at market rents. Apartment accommodation is often a source of affordable housing for low-income tenants. Landlords have the opportunity to voluntarily enter into the Private Landlord Rent Supplement Program.
- **Non-Market Housing:** Non-market housing provides housing mainly for those who cannot afford to pay market rents. Housing is owned by the government, a non-profit, or co-operative society, and rents are determined not by the market but by the residents ability to pay.<sup>12</sup>
- **Public Housing:** These are projects owned and operated by government agencies. Continuous subsidies provided by governments are used to supplement the rents paid by tenants, which are usually set at or below the core need housing

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<sup>12</sup> The City of Vancouver Housing Centre

threshold. Rent is capped at 30% of household income and the government subsidizes the remainder of the rent.<sup>13</sup>

- **Non-Profit Housing:** Rental housing that is operated by community-based non-profit societies. Their mandate is to provide safe, secure, affordable accommodation to households with low to moderate income. Most non-profit societies receive some form of financial assistance from the government or private sector to enable them to offer affordable rents.<sup>14</sup> Each society is operated independently under the direction of a volunteer board of directors.<sup>15</sup>
- **Co-operative Housing:** Co-ops look like any other townhouse complex or apartment building. Each housing co-op is both a business and a community, collectively owned by the people who live there. Members vote to decide what the monthly payment should be, and rent goes towards financing the co-op's utilities and maintenance costs. Most co-ops are mixed income, with some subsidized housing units. A co-op is not operated for profit.<sup>16</sup>

Recognizing that affordable housing is a social, political and economic issue, there are several stakeholders involved in the provision of affordable housing. The stakeholders include all levels of government, the City of Calgary, the private market, non-profit organizations, co-operatives, and the community.

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<sup>13</sup> Canada Mortgage and Housing Corporation: *Housing Affordability and Finance Series* p.10

<sup>14</sup> BC Non-Profit Housing Association.

<sup>15</sup> The City of Vancouver Housing Centre.

<sup>16</sup> Co-operative Housing Federation of British Columbia.



**ii) The History of the Federal Government's Involvement in Affordable Housing:**

In 1946, the Canada Mortgage and Housing Corporation (CMHC) was incorporated as a Crown corporation to administer the National Housing Act (NHA). In 1949, the Federal Government amended the National Housing Act to allow the Federal government to enter into partnerships with the provinces to develop and manage housing for people unable to afford housing in the private market. Historically, the federal government was the dominant level of government in Canadian Housing Policy.<sup>17</sup> From 1953 to 1993, the majority of all non-market projects were funded under joint federal/provincial NHA housing programs that provided capital and operating subsidies to various projects.<sup>18</sup> The public housing program was the result of these federal/provincial partnerships to build and manage subsidized rental housing for low-income groups. These projects were large and were often associated with the urban renewal schemes of the 1950's and 1960's.<sup>19</sup> The non-profit housing program provided subsidies for projects developed and managed by local non-profit bodies. In 1973, changes to the NHA allowed for mixed-income projects and non-profit co-operatives. In 1986, further modifications to the NHA saw a shift away from projects serving mixed income groups, to having all units targeted to 'core need' households. The co-op program was also altered to increase the proportion of low-income residents in new projects. However, in the 1980's, under Prime Minister Brian Mulroney and his Conservative government, the federal government withdrew from affordable housing construction programs.<sup>20</sup> Although the Federal government continues to provide

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<sup>17</sup> Fallis p.357

<sup>18</sup> The City of Vancouver Housing Centre.

<sup>19</sup> The City of Vancouver.

<sup>20</sup> Layton p.20.

operating subsidies for previously approved non-market projects, since 1994, it no longer provides funding for new projects.

**iii) Local Involvement:**

On April 2, 2001 Calhome Properties Ltd., a City-sponsored housing services agency and the Calgary Housing Authority (CHA), a provincially sponsored non-profit agency, merged to become the Calgary Housing Company.<sup>21</sup> Prior to this merge, both agencies were providing similar services to serve the needs of low-income residents. In order to reduce overhead and increase efficiency, it was seen as beneficial to both parties to form a merger. The Calgary Housing Company (CHC) offers a form of subsidy for low-income social housing, and works in connection with the City to house citizens based on need. Currently, the CHC provides 7,600 housing solutions in Calgary, of which 1,200 are provided through the Private Landlord Rent Supplement Program.<sup>22</sup> The Private Landlord Rent Supplement Program is a voluntary program, in which the CHC enters into a contract with private landlords to provide affordable housing solutions. Specific units owned by landlords are designated for low-income tenants, who are selected by the CHC. These tenants pay a rent that is capped at 30% of their income, and the CHC supplements the remaining rent between the full market rate and the tenant's rent. The CHC has also started the Social Integration program, which involves the coordination of social services into social housing. By reinvesting the savings that resulted from the merge, the CHC is able to assist in job training, education and other social services for low-income tenants. Through this program, the CHC is working towards helping low-

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<sup>21</sup> Citybeat. An article titled, "*New City Housing Agency Manager Appointed.*"

<sup>22</sup> Stamm, Dale. Manager of the Calgary Housing Company.

income tenants living in subsidized housing to eventually move out of this form of housing and into the private rental market.<sup>23</sup>

Dale Stamm, Manager of the Calgary Housing Authority feels that the current lack of affordable social housing is not a result of the absence of an affordable housing policy. He states that the current social housing policies in place are sufficient, and that the central problem for agencies providing social housing, is the lack of capital funding and support from the federal government.

Over time, municipalities have emerged as significant players in the provision of affordable housing. They are often in the position to bring together different parties, and can use land use planning controls to encourage affordable housing. The City of Calgary, non-profit, and co-operative housing agencies are significant providers of affordable housing in Calgary. Presently, the City of Calgary, non-profit agencies, the private sector, and the local community are trying to create a variety of partnerships / joint ventures to address Calgary's lack of affordable housing.<sup>24</sup>

**iv) Steps Taken by the City of Calgary to Address the Lack of Affordable Housing:**

In order to bring the shortage of affordable housing in Calgary to the attention of the community and the public and private market, the City of Calgary has introduced a number of initiatives. In 1998, the City Council approved the report titled, *“Corporate Strategies to Support the Provision of Low-Income Housing,”* to undertake corporate and community strategies to increase the supply of affordable rental and special needs housing. The prospectus acted as, “an invitation to community foundations, social

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<sup>23</sup> Stamm, Dale

<sup>24</sup> The City of Calgary, “Meeting the Critical Need for Affordable Housing in Calgary.”

agencies, the corporate business sector and private investors to demonstrate their interest in participating in partnerships to develop affordable rental and special needs housing projects.”<sup>25</sup>

The guiding principles for such partnerships include:

- Combinations of assets including land, long-term leases, financial support, policy innovation such as fast tracking approvals, layering of provincial and federal programs and contributions, and lastly, counselling and outreach support expertise in order to make projects happen.
- Sensitivity and attention to both tenant and neighbourhood concerns, recognizing that this may affect the timeliness of such projects.<sup>26</sup>

The City of Calgary has also created “Community Action Plans” to address “*Community Awareness / Public Education*” and “*Housing Supply*.” The actions for

*Community Awareness / Public Education* include:

- Achieving sufficient levels of suitable, adequate, safe, affordable, emergency, transitional and permanent housing.<sup>27</sup>

The strategic direction of the Community Action Plan focusing on *Housing Supply* further expands on the actions initiated by increasing community awareness.

These actions include:

- Creating legislation, regulation, and policies supportive of developing low cost rental housing.
- Establishing funding mechanisms / resources for the development of low cost rental housing.
- Using underutilized / alternative facilities and resources.
- Developing housing options for specific target populations.<sup>28</sup>

In 1999, Council approved the “*Principles for Partnerships / Joint Ventures in Affordable Housing*.” The principles within this document were approved as the broad

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<sup>25</sup> The City of Calgary.

<sup>26</sup> The City of Calgary. *Meeting the Critical Need for Affordable Housing in Calgary*.

<sup>27</sup> The City of Calgary. *Community Action Plan*.

<sup>28</sup> The City of Calgary. *Community Action Plan – Housing Supply*.

basis on which to support public-private-non-profit partnerships / joint ventures in the development of affordable housing and special needs housing.

In order to implement the above-mentioned actions, it would require the cooperation of the municipal, provincial and federal governments, in combination with the non-profit and private sector. Since 1988, when these actions were created, little progress has been made in increasing the availability of affordable housing in Calgary. At present, it is difficult to attract developers in the private sector to participate in public / private partnerships. Developers desire projects that are risk-free. The current demand in Calgary is for single-detached housing and condominiums, resulting in this area of the housing market being more attractive for developers. Due to the cost of construction and the current market cost of housing, there are no incentives to encourage developers to take the risk of developing affordable housing. Affordable housing involves managing costs on a long-term basis, and, for many, this is not seen as a profitable endeavour.

#### **4.) Where Do We Go From Here?**

The shortage of affordable housing in Calgary is a complicated, yet important situation, and demands attention. The problem needs to be addressed as a social, economic, political, community development and planning issue. The affordable housing situation in Calgary is a common one, affecting many cities across Canada. Although the City of Calgary has addressed this issue, there still remain a number of recommendations and improvements that can be made to encourage action and progress in order to increase

the availability of affordable housing within the city. The key is that Calgary must respond to this situation through innovation and flexibility.

This paper has attempted to define the problem regarding affordable housing in Calgary, provide evidence of the problem and place it into context within the larger political, social and economic realm. It has also outlined the current policy environment and presented examples of efforts made by the City of Calgary to address the lack of affordable housing for low-income residents.

The second section of this paper will attempt to analyze the ways in which affordable housing is provided, make recommendations for improvement and propose new policies. It will also evaluate the policy alternatives and the choice of policy instruments, and conclude by recommending a system for monitoring and evaluation.

### **Context:**

Currently, Calgary is facing a critical supply shortage of affordable rental housing accommodation for low-income or 'core need' residents. 'Core need' comprises those residents who pay 30% or more of their income for suitable and adequate housing in the private rental market. Essentially, the current supply of affordable rental housing is unable to meet the increasing demand. Due to low-paying jobs, lack of steady employment, high costs of rents, and an inability to pay security deposits, low-income citizens find it difficult to secure adequate and affordable accommodation.<sup>29</sup> Ultimately, the lack of affordable rental housing inhibits the ability of many individuals to save enough money to secure long-term housing and move on to an independent lifestyle.<sup>30</sup>

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<sup>29</sup> *Housing Our Homeless* p. 11

<sup>30</sup> Layton, Jack. *Homelessness: The Making and Unmaking of a Crisis*. p.112

Between 1993 and 1998, waitlists for social housing grew by 64 percent.<sup>31</sup> To date, Calgary is still experiencing an extensive waitlist for affordable rental housing. Those most greatly in need include single men and women, single parents with children, families and seniors. Often referred to as the working poor, these people comprise a high-risk population who often pay more than 50% of their income on housing, and who are one paycheque away from being homeless.<sup>32</sup>

The lack of affordable housing is due to several factors. These include a lack of funding from all levels of government for the creation of additional affordable housing, institutional fragmentation, lack of an umbrella policy, and a lack of partnerships between organizations that provide affordable housing.

## **5. The Strengths and Weaknesses of the Current Policy Environment:**

### **i. Strengths:**

To date, a number of recommendations and attempts have been made to encourage partnerships between various organizations that provide affordable rental housing. These organizations include non-profit agencies, co-operatives, public housing agencies, and the private sector. Although there has been limited involvement in creating such partnerships, the benefits of establishing these working relationships have been recognized among the organizations that provide affordable rental housing. Furthermore, there is an increased awareness of the need to increase and improve the existing supply of affordable rental housing. Recognizing that the current stock of affordable rental housing is insufficient in meeting the needs of low-income citizens, there is an increased

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<sup>31</sup> Layton, Jack. p.112

<sup>32</sup> Housing Our Homeless p.4

willingness and interest within the housing sector to address new and innovative policies to increase and enhance the stock of affordable housing.

**ii. Weaknesses:**

The major weaknesses regarding the current policy environment include the lack of implementation of housing policies to address the shortage of affordable housing for low-income citizens. Currently there are no policies in place to ensure that the shortage of affordable rental housing is being addressed. In addition, the lack of funding available for the creation of additional affordable rental housing remains a serious barrier to increasing the stock of affordable housing.

**iii. Working with the Current Stock:**

Based on the context of the problem and the weaknesses of the current policy environment, it is evident that there are limited financial resources in which to access, to create additional affordable rental housing. Therefore, how can we work to capitalize on the strengths that exist within the current policy environment to address the shortage of affordable rental housing for low-income citizens?

Recognizing that there is a lack of funding for the creation of additional affordable rental housing, how can Calgary work with the *current* supply of affordable housing to meet the needs of low-income citizens? Therefore, how can the city take advantage of the existing supply of affordable housing, to provide adequate and appropriate housing, while also providing a quality of life for low-income tenants? In



addition, how can the city enhance access to information and resources to encourage the private sector to become more involved in the creation of affordable housing?

**iv. Objectives of the Policies to be Recommended:**

The overall goal of the following policies is to improve the capacity of Calgary to meet the needs of its low-income citizens and provide adequate and affordable rental accommodation. The goals include:

- Increase access to resources and information that will help improve and increase the stock of affordable rental housing in Calgary.
- Improve the effectiveness of those organizations that provide and manage affordable rental housing (non-profit agencies, co-operative, public housing and the private sector.)
- Encourage the integration of housing and social service programs to meet the needs of low-income citizens, and assist them in developing long-term independence.

**6. Proposals for New Policies:**

*i. Development of a Central Resource Service*

*ii. Partnerships Between Organizations Providing Affordable Housing*

*iii. Integration of Housing and Social Service Programs*

**i. Development of a Central Resource Service:**

A central resource service to help non-profit, co-operatives, the public and private sector develop additional social housing should be created. Currently, there is no central service for individuals, businesses, communities, or corporations, etc, to access to obtain

information on community-based affordable rental housing. Without such service, the process of developing and accessing affordable rental housing can be long and confusing.

By providing a central resource service, organizations could come together to share their interests in forming partnerships with other organizations and services that provide affordable housing for low-income citizens. This would provide a system for organizations and management bodies to learn about other organizations and how they operate. These organizations could then build networks and form relationships with one another to share information and resources. The service could also provide information on existing partnerships, how they formed, and what the challenges and benefits are. By opening lines of communication, the service could function to bring together parties in order for them to develop their ideas and determine the feasibility of their projects. For example, non-profit agencies and private developers could partner to develop affordable rental housing.

The service could also act as a ‘search engine’ to proactively find sources of funding and land or buildings to assist organizations that provide affordable housing and potential developers.<sup>33</sup> By assisting individuals and groups in accessing required technical and planning expertise, the service would help streamline and simplify the planning and development process. Essentially, by opening the lines of communication, improving accessibility, and encouraging flexibility and innovation, the resource service could attract developers to become involved in the creation of community-based affordable rental housing. In addition, the resource service could provide information for landlords regarding the Private Landlord Rent Supplement Program. It could outline how the program works, who can participate and what the benefits the program provides.

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<sup>33</sup> “Vision Calgary: Social Housing” p. 34

Therefore, a central resource service would provide ‘one-stop shopping’ for groups or developers interested in developing additional affordable housing for low-income citizens.

A central resource service would also benefit those people in need of affordable rental housing. By accessing a central resource service, these people could also ‘one stop shop,’ to search for suitable affordable rental housing, view what options exist, learn what the requirements are to be eligible for such housing, and find out how to apply for affordable housing.

A central resource center would improve access to information, resources and increase efficiency. By helping organizations, potential developers, landlords and eligible tenants advance their ideas; the resource center would simplify the ‘maze’ of information and resources involved in creating and accessing affordable rental housing. In addition the service could provide information on best practices for developing and managing affordable rental housing units. Overall, the provision of a comprehensive resource service would facilitate involvement and interest in creating and accessing additional affordable housing for low-income citizens.

**ii. Partnerships Between Organizations that Provide Affordable Housing:**

Currently, there are a variety of organizations, each performing similar functions, aimed at similar goals, yet they are working in isolation from one another. This form of organization is inefficient, costly and time-consuming, as each agency is vying for funding from the same sources and having to work with minimal resources. By working in isolation and under different mandates, each organization is limited in their ability to

secure funds and to provide affordable rental housing. Therefore, non-profit agencies, co-operatives, public housing and the private sector need to form partnerships to work together to streamline their efforts.

Various organizations that provide affordable rental housing have been inefficient in communicating and coordinating activities with other management bodies. They have also been inefficient and inconsistent in managing data, approaching waitlist registration and tracking tenants changing incomes. For example, many organizations have ‘caps’ on their waiting lists, therefore limiting the number of people who are allowed to remain on waitlist, while other organizations do not.<sup>34</sup> In addition, many organizations and management bodies do not consistently track the changing incomes of their tenants. For example, many tenant’s incomes increase over time, allowing them to move out of low-income housing and into the private rental market. However, these tenants often remain in low-income units, as there is a lack of consistent monitoring of changing income levels. As a result, management bodies have been ineffective in addressing priorities and ensuring that low-income rental housing is being appropriately occupied.

By forming partnerships, organizations can come together to share knowledge, achievements, and experiences. At the same time, priorities can be determined, imbalances can be addressed and waitlist information can be pooled and tracked in a consistent manner. By forming partnerships, organizations and the City of Calgary can work together to leverage funding and land to develop additional affordable rental housing. Individual organizations that provide affordable rental housing have the knowledge to work together to determine the most effective methods of achieving

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<sup>34</sup> “Vision Calgary: Social Housing” p.35

benefits through partnerships and collaboration.<sup>35</sup> Such partnerships can help define the best approaches to improve housing options and increase the supply of affordable rental accommodation for low-income citizens. By bringing different ideas and experiences to the table, partnerships can encourage the implementation of new and innovative methods to address the lack of affordable rental housing.

A report prepared by the Calgary Regional Planning Committee titled, “*Vision Calgary: Social Housing*,” has recommended the creation of partnerships among public housing agencies. Although the benefits mentioned in the report relate to public housing, many of them can also apply to partnerships between non-profit agencies, co-operatives, the public and private sector. These benefits include, cost savings, increased efficiency, removal of duplication of services, and prioritization of housing according to those most in need.

By streamlining their efforts, organizations can ease access for potential residents in need of affordable rental accommodation. Rather than having to contact a variety of agencies, potential residents could contact a central resource to access information on rental housing for low-income citizens. This would enhance convenience for residents as they could essentially “one-stop” shop instead of having to inquire and apply to a several housing agencies. By integrating their information and services, housing agencies would have a better understanding of where and for whom affordable rental housing is most in need. Partnerships between organizations and the City of Calgary would also help leverage funding and land to develop additional affordable rental housing in the city.

By improving efficiency and removing duplication of services, cost savings would also result. These cost savings could then be targeted towards funding additional

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<sup>35</sup> “*Vision Calgary: Social Housing*” p. 31

affordable housing and the provision of services. Partnerships between organizations would also enhance the transparency of information, as each partner would have to be accountable to one another regarding management and allocation of resources for existing and new affordable rental accommodation. Transparency and accountability would ensure that funding is allocated for projects where it can best be utilized to increase the supply of affordable housing for low-income citizens most in need.

Presently, the Calgary Housing Company (CHC) has recognized many of the benefits of partnerships. The CHC was formed when the Calgary Housing Authority (CHA) and City-sponsored, Calhome Properties, merged to create the Calgary Housing Company. To date, this merger has assisted both agencies in developing a joint vision and mandate and has helped to reduce overhead and increase efficiency.<sup>36</sup>

In addition to the number of benefits associated with the creation of partnerships, there also remain several challenges inherent in the partnership model. These include conflicts between various bodies, increased time demands and the complexity of power sharing arrangements.<sup>37</sup> Therefore, organizations must be open, flexible and willing to work together to pool knowledge and resources.

### **iii. Integration of Housing and Social Support Services:**

Housing is about people and without secure housing, people cannot begin to participate in a meaningful way in society or the economy.<sup>38</sup> Presently, there is limited recognition of the social needs related to housing. Housing agencies need to help residents develop independence so that they will not have to rely on long-term assistance.

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<sup>36</sup> Stamm, Dale. Manager of the Calgary Housing Company.

<sup>37</sup> Kowalski, Eric. MDP Chapter 3 p.20

<sup>38</sup> "A Housing Symposium" p. 36.

Therefore, the integration of social services and housing programs would help provide residents with access to basic necessities and improve their quality of life.<sup>39</sup> As a result, housing would become a platform, to assist residents so that they can move back into the private rental market and remain independent. This would create more effective social housing and efficient delivery of social services. Currently, funding for social service programs is in isolation from housing. Instead, social support costs should be budgeted in addition to operational and maintenance costs, in order to assist residents to develop skills that would help them become as independent as possible.

The coordination of social service programs and housing would increase awareness of support services and reduce inefficiencies and duplication between systems. Firstly, review of the needs of residents and the current programs that are in place would need to be completed. An assessment of where duplication and gaps in social service programs for low-income tenants would also have to be determined. By integrating housing and social services, service-delivery could be approached in a more efficient manner.<sup>40</sup> The provision of social services could include education (life skills, job skills, literacy, upgrading), childcare, and employment resources (computer access, resume creation, job searching skills). Certain services could be provided by other tenants in the building, such as childcare, peer counselling and maintenance of employment resources. Initial training and skills would need to be provided for residents wanting to participate.

Placement and availability of services must be appropriate and suitable for the number of units and residents involved. Therefore, social service programs are not necessary at every site, as some cases may need on-site services while others may not.

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<sup>39</sup> “Vision Calgary: Social Housing” p.27

<sup>40</sup> “Vision Calgary: Social Housing” p.11

New buildings could also be designed to meet residents' needs and provide social support services. By integrating social service programs and housing, organizations providing affordable rental housing can help tenants receive the support and services they need in order to move out of subsidized housing and into the private rental market, thus opening existing units to new low-income tenants.

A possible idea would be to initiate a pilot project at a specific building site to monitor the effectiveness and feasibility of integrating social support services and housing on-site, for low-income tenants. Such a project would allow for organizations and institutions to modify, change, or enhance any aspects of the program in order for it to function effectively. Depending on the outcome, it may be beneficial for other affordable rental housing sites to provide similar services and programs.

Presently, the Calgary Housing Authority is working towards integrating social services with social housing. The CHA feels that providing tenants with job training, education and social services will ensure better use of social housing, by helping tenants move back into the private rental market. The main goal of social housing is to provide affordable accommodation to low-income residents so that they may become independent. By taking a proactive approach, and assisting tenants in making the transition the CHA believes that fewer units of social housing will be need to be constructed in the long run.<sup>41</sup>

The challenges of integrating social support services with housing include increased costs to align support services with housing, increased potential for liability, and NIMBY (Not in My Backyard Syndrome), which could hinder or prevent

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<sup>41</sup> Stamm, Dale



implementation of service alignment for all residents in certain buildings.<sup>42</sup> To overcome these challenges, funding will have to be sought from a variety of areas, including private donations and various levels of government. The problems associated with NIMBY will have to be addressed by educating, informing and increasing community awareness of the issues and realities related to affordable rental housing.

## **7. Policy Instruments:**

To implement the recommended policies, the necessary policy instruments would consist of mixed and compulsory instruments. Mixed instruments allow the government differing levels of involvement in influencing non-state actors decisions, while leaving the ultimate decision to the private actors.<sup>43</sup> Compulsory instruments, also called directive instruments, allow the government to directly provide services through the bureaucracy.<sup>44</sup>

This section will focus on *subsidies* and *direct provision* as appropriate policy instruments to implement the recommended policies.

### **i. Mixed Instruments: Subsidies**

Subsidies would be appropriate instruments to implement partnerships between organizations that provide affordable housing and to help integrate housing and social services. While the government should provide direction, the final choice of involvement in such policies should be left to individual organizations. Therefore, while individual

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<sup>42</sup> “Vision Calgary: Social Housing” p. 48

<sup>43</sup> Howlett, M. and M. Ramesh. “*Policy Instruments*,” Studying Public Policy: Policy Cycles and Policy Subsystems p.91.

<sup>44</sup> Howlett, M and M. Ramesh p.87

actors would be left to determine the costs and benefits of the choice, the desired activity would be compelling for potential partners because of the subsidy it includes.

To encourage partnerships between organizations and the integration of housing and social services, subsidies could be provided in the form of *grants* and *tax* incentives. Grants are expenditures made in support of a welcomed activity, as a form of recognition, reward or encouragement.<sup>45</sup> Grants require legislative approval, as the expenditure is levied from the government's general tax revenues. Grants awarded to organizations for creating partnerships, could then be targeted towards activities to improve the effectiveness of partnerships. Grants awarded for the integration of housing and social services could be aimed at implementing social service programs, training staff, and developing on-site service programs at site's most in need.

Another form of subsidies is tax incentives, which involve the remission of taxes, such as deferrals, deductions, credits, exclusions, or preferred rates. Tax incentives are taxes forgone, and do not require legislative approval, as there is no direct expenditure by the government.<sup>46</sup> As a result, the government is not limited by lack of funds. This form of subsidy may be more desirable for the government rather than grants, as tax incentives do not require any additional expenditure to reward a desired activity. Therefore, to encourage partnerships and the integration of housing and social services, governments could offer tax incentives to those agencies and organizations willing to participate. Governments could offer deductions, exclusions or preferred rates to those groups implementing the recommended policies. Cost savings resulting from the tax incentives could then be targeted towards activities and programs that require additional funding.

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<sup>45</sup> Howlett, M and M. Ramesh p.93

<sup>46</sup> Howlett, M and M. Ramesh p.93

For example, programs requiring funding could include the provision of social service programs such as childcare and job skills for low-income tenants.

**ii. Direct Provision:**

Rather than waiting for the private sector to implement policies, or regulating the private sector's activities, the government directly performs the task, delivering the service directly by government employees. Direct provision would be an appropriate instrument to implement policies to assist the integration of housing and social service programs and the development of a central resource service. Direct provision would reduce the costs associated of providing trained staff to operate various social service programs for affordable rental housing residents. Direct provision would be a more efficient method of implementing many social service programs, as the government already provides many such programs.

Direct provision would also be appropriate for developing a central resource service. By directly providing the service, it would ensure that information distributed by the resource center was consistent, up-to-date and managed effectively. The large size of government agencies would also be beneficial in helping the resource service build resources and information necessary for efficient performance.<sup>47</sup>

**8. Monitoring and Evaluation**

Monitoring of policies would be approached in variety of ways:

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<sup>47</sup> Howlett, M and M. Ramesh p.91

- Tax incentives and subsidies would be monitored to determine if cost-savings and funds were being targeted towards effective and necessary activities and programs. Questions to be asked should include, “Are the tax incentives and subsidies working?” “What are the outputs?”
- Regular reviews of the central resource service’s information and available resources would ensure that service was up-to-date and managed effectively. The number of inquiries, contacts and apparent level of community interest would determine the popularity and success of the central resource service.
- Development of a computerized tracking system for affordable rental housing waitlists would ensure that information was consistent and up-to-date.<sup>48</sup> It would also indicate areas most in need, and how well the current stock of affordable rental housing is meeting the housing needs of low-income citizen’s in the city.
- Develop new civic census questions to better determine the need for low-income rental housing. This would help determine the population and the areas most in need of affordable rental housing. It would also illustrate income levels, expenditures, and the need for social service programs.<sup>49</sup>

**Evaluation:**

**Outputs:** (immediate results)

- Tax incentives and subsidies developed to encourage partnerships and the integration of housing and social service programs.
- More partnerships between management bodies providing affordable rental housing for low-income citizens.

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<sup>48</sup> “Vision Calgary: Social Housing” p.35

<sup>49</sup> “Vision Calgary: Social Housing” p.35. The report recommended that social housing agencies work with the City of Calgary to develop new civic census questions to identify future needs.

- Implementation of a pilot project to evaluate the benefits and drawbacks of integrating housing and social services. Any changes and modifications to the program should be addressed and recommended for future projects.
- Central Resource Service available. Increased interest and inquiries into the development or partnerships and community-based affordable rental housing.
- New data collection and tracking system for managing waitlists for affordable rental housing.
- Increased funding for the development of additional affordable rental housing for low-income citizens.
- More housing units becoming available for low-income tenants.

**Outcomes:** (long-term results)

- Specific questions should be asked to evaluate the long-term outcomes of the policies. These questions should include:
  - Are partnerships enhancing collaboration, efficiency, effectiveness and innovation?
  - Are tenants benefiting from the availability of on-site social service programs? Are their needs being met? Are they enjoying a quality of life? Are they happy with their form of housing, and is it adequate?
  - Are more units becoming available for low-income tenants?
  - Is the private sector becoming more involved in creating community-based affordable rental housing?

**Long-term outcomes should reflect the following:**

- Increased supply of affordable rental accommodation.

- Increased use of support services by low-income tenants.
- Increased independence and a filtering process taking place. ie. More units becoming vacant for new low-income tenants to take up residence.
- Reduced duplication of services and programs, resulting in greater efficiency and cost-savings.
- Accurate tracking of changing incomes and waitlist registration for affordable rental accommodation.
- Overall, improved capacity of the city to provide adequate and affordable housing and to be able to meet the diverse needs of its low-income citizens.

### **9. Conclusion: Where do things stand today?**

It is apparent that no single solution will solve Calgary's current shortage of affordable rental housing. In order to confront this problem, it will require interest and action from all levels of government and the community. Recognizing the context of the problem, and the strengths and weaknesses within the policy environment, this paper has attempted to provide a set of policy proposals aimed at improving the capacity of Calgary to provide affordable rental housing for low-income citizens.

Different cities have different needs, and ultimately, municipalities and communities have the greatest knowledge of what those needs are and how they can best be met. However, one level of government cannot be relied upon to address the lack of affordable housing for low-income citizens. Therefore, all levels of government must play a role, and the community must be actively involved to identify priorities and populations most in need.

Presently, the Federal government has announced its commitment to provide funding to the Provinces for housing. The exact distribution of these funds to the

Provinces and their individual cities is still to be determined. Therefore, it remains yet to be seen how and where these funds will be utilized in the near future. However, it is a start, and it demonstrates the Federal government's commitment to remain involved in the provision of housing for Canadians.

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