Housing Management Body Budget Survey

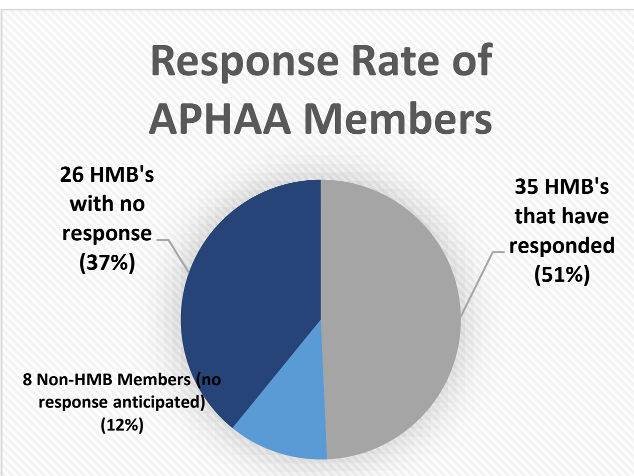
In May 2023, Members of the Alberta Public Housing Administrators Association (APHAA) gathered data from their 2022 Business Plan Submissions as well as their 2023 Budget Letters from the Province received in January 2023. There has been a growing concern of the existing rent-geared-to-income housing stock being heavily unfunded and our data helps identify the gaps within our current system.

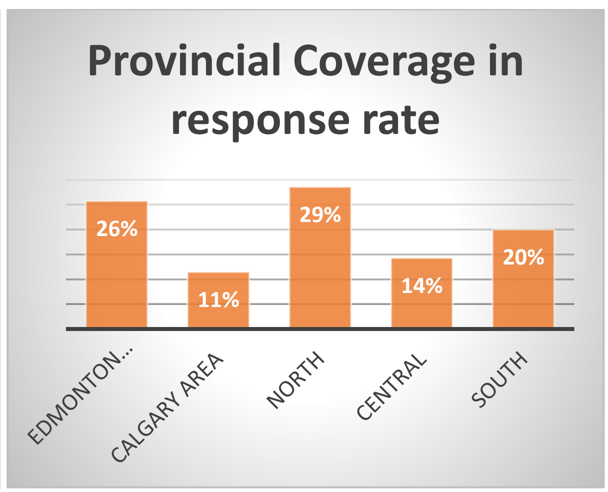
Through Alberta Social Housing Corporation (ASHC), there are approximately 26,800 social housing units and 10,750 lodge units that have been assigned to Housing Management Bodies to operate over the past 60+ years. This has been done through Ministerial Orders and Operating Agreements. Operators have managed the properties within the confinement of government budget approvals and the expectation that we strive to attain self sufficiency in a portfolio with an average age exceeding 30 years in fair condition operating to provide housing and services to the most vulnerable of the Alberta population at truly affordable housing (30% rent geared to income). Without further changes to the Social Housing Accommodation Regulations (SHAR), the Government has taken on the financial risk of balancing the operating and capital needs of these units permanently.

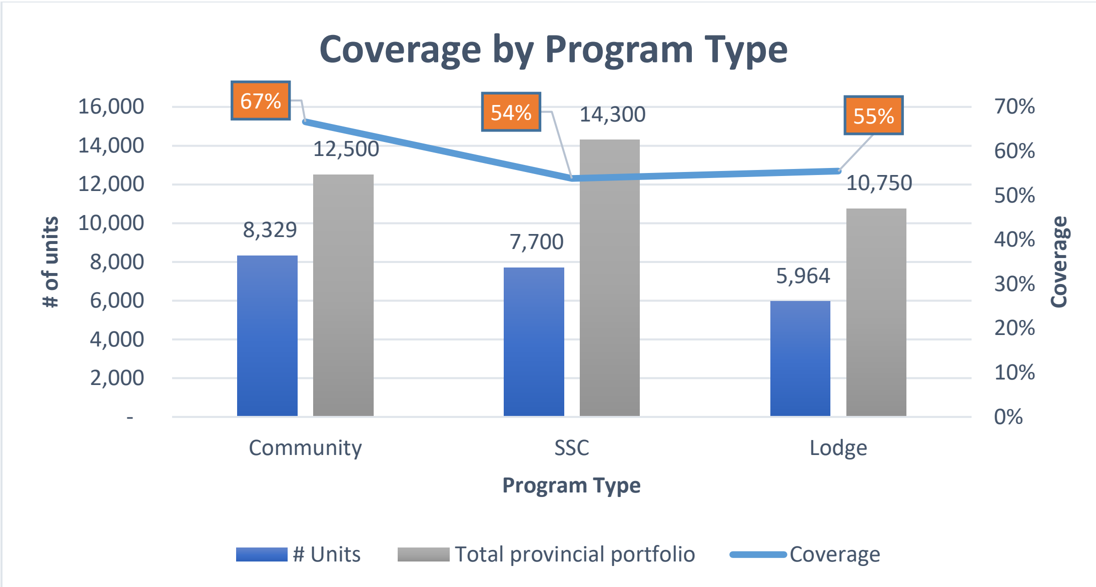
APHAA Member Respondent information

Based on the APHAA-driven 2023 Budget Survey, we received an incredible amount of responses to help summarize our concerns to the Government. Below is information specifically regarding our response rate.

Housing Program Type	Community Housing	Senior Self-Contained	Lodge Program	Total Government owned Units
# Units from HMB respondents	8,329	7,700	5,964	21,993
Total Provincial Portfolio	12,500	14,300	10,750	37,550
	67%	**54%**	**55%**	**59%**



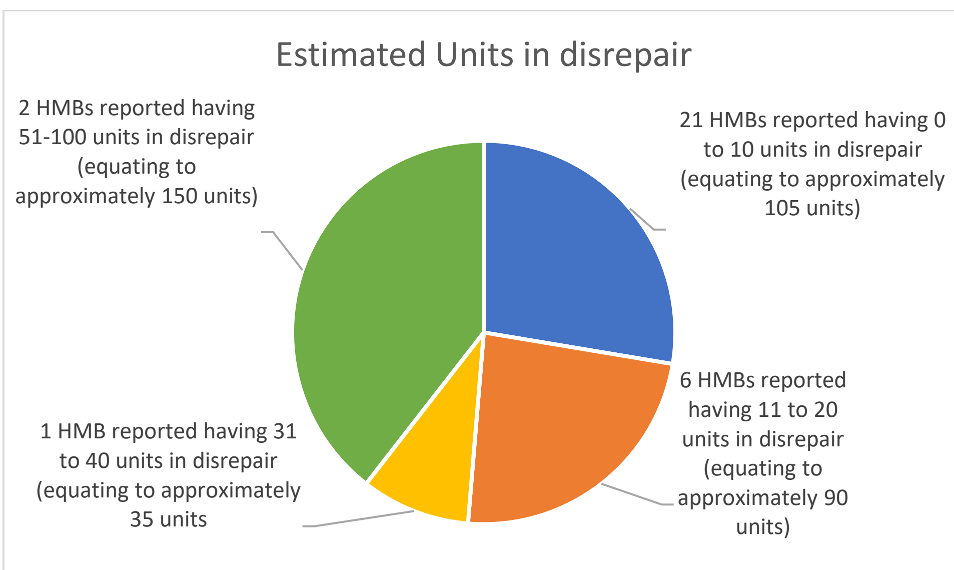




Unfunded Suite Renewals

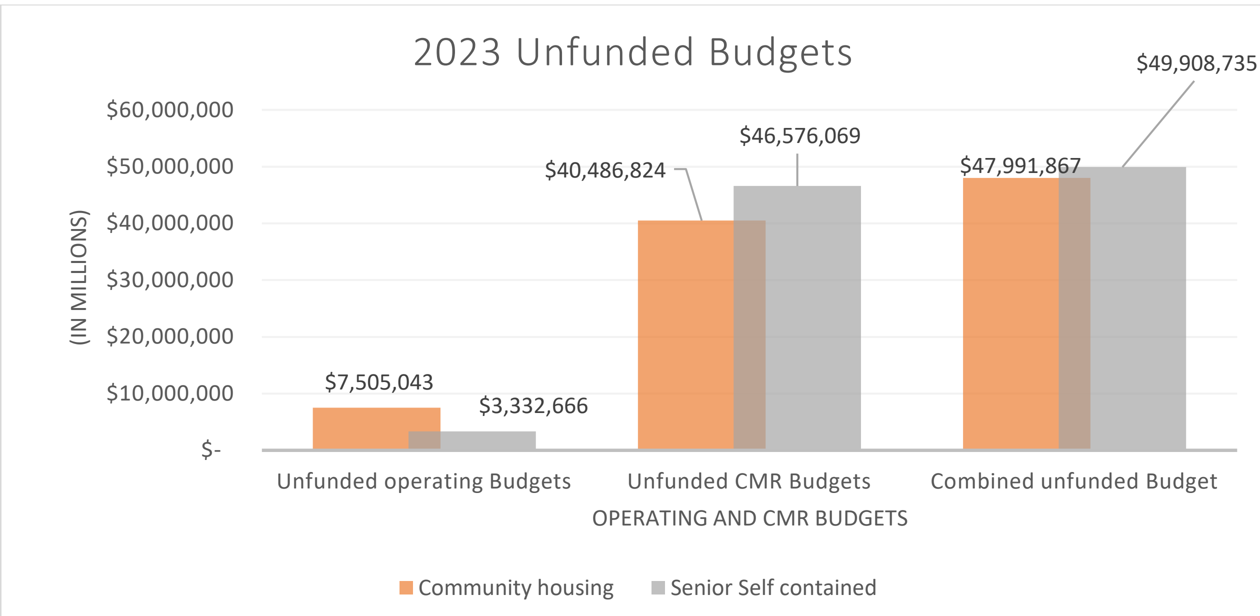
In January 2023, our housing advisors requested information from HMB's as to the total number of Vacant units due to limited CMR suite renewal funding. Below is a summary of the responses of our Members on the number of units that do not measure to the standards of ***Adequate Housing*** by CMHC's definition of core housing. Based on the average # within the ratios below, there are approximately **380 units** - owned by the Province - that would be defined as inhabitable for tenants.

The table below is an accumulation of the 30 respondents response to how many units are in a state of disrepair without any further CMR funding.



Operating and Capital Maintenance Renewal (CMR) Funding

On an annual basis, Housing Management Bodies (HMB's) submit Business Plans to the Housing Division of our provincial Ministry. These Business Plans are prepared six months prior to our operating year (submitted annually in June) and provide the provincial government with a detailed outlook to the complex and increasing cost pressures we face to operate the government owned buildings. As operators, we do not have an ability to retain reserves to oversee capital replacement requirements of these buildings and so we are left with one-sole approach of submitting budgets to the province. Below is the collective impact of reporting HMB's unfunded operating and Capital Maintenance Renewal Budgets for the 2023 year. While the Operating Budget reflects current year need, we recognize the CMR is likely an accumulation of deferred capital maintenance on the entire housing portfolio of the government based on HMBs that have responded to the survey.



Budget Pressures from Operators

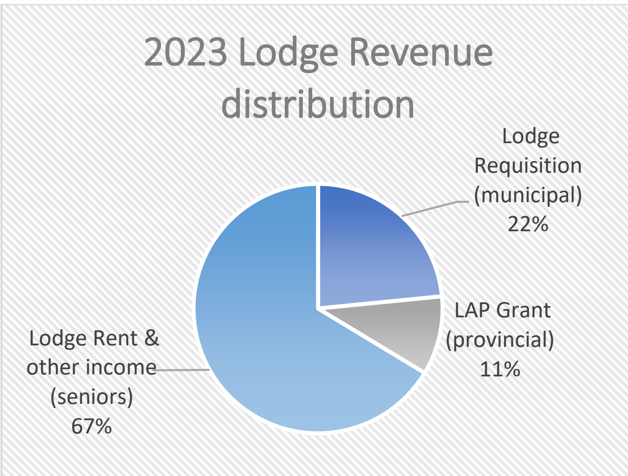
Operators were asked to indicate their top three cost pressures on the Organization as they manage within a reduced operating budget in the current year. The top two areas of cost concern to Community & Seniors Self Contained housing providers was the increased cost to Utilities & Carbon Tax as well as Employee wages and union negotiations.

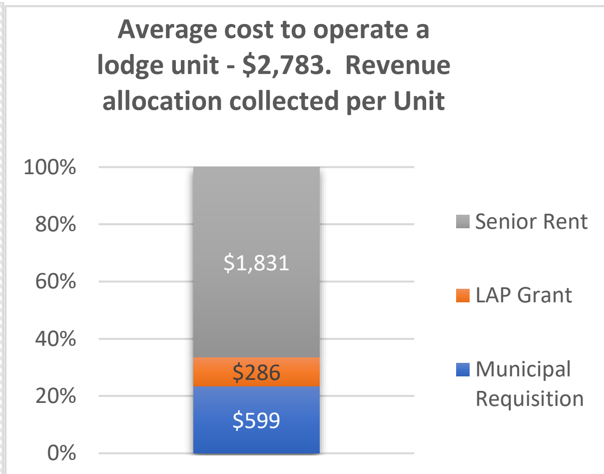
Cost Pressures	Community	SSC
Utilities & Carbon tax	14	18
Employee wages and union negotiations	9	10
SHAR impacts and vacancies from down units	6	3
Maintenance	4	9
Operating	3	4
Inflation	3	2
Other (insurance, security, interest and mgnt fees)	5	5

Lodge Funding

As an initial data collection from Lodge Operators, we have collected details on revenue distribution within the lodge program. Since 2018, Lodge Operators have not seen an increase to Lodge Assistance Program (LAP) funding. The result is that the burden of increased costs associated with operating a 24-hour supportive living facility has fallen on municipalities through the lodge requisition program. With the majority of lodge units serving low income seniors, there is limited ability to increase rent to those individuals, meaning the burden of cost falls on the lodge requisition.

We also note that within our reporting Lodge operators, over $18,500,000 has been requested by Operators for capital maintenance on the buildings. With the joint responsibility of these buildings of Municipalities and the Province, operators are seeing a continual decline from the provincial mandate.





For Lodge Operators, the largest pressures for them are in cost escalation in Utilities & Carbon Tax, Maintenance needs and Food & cleaning supply costs due to unprecedented inflation. With no Lodge Assistance Program (LAP) increases since 2018, inflationary pressures have only been passed on to the municipalities as there is a maximum amount allowable to pass on to the Residents (seniors disposable income requirements).

Cost Pressures	Lodge
Utilities & Carbon tax	15
Maintenance	12
Food and cleaning supplies	10
Employee wages and union negotiations	4
SHAR impacts and vacancies from down units	2
Insurance	2
Operating	1
inflation	1
Vacancies	1