

**Affordable Housing Strategy – Burrows’ New Policy**

**June 14<sup>th</sup>, 2010**

Affordable housing continues to be a serious problem in Calgary. The rapid increase in housing prices in Calgary from 2005-2008 has made home ownership an impossible goal for an increasing number of our citizens. Additionally, we have seen the rise of the homeless working poor: hard working people who are employed in low income positions and who cannot put together the funds required for a damage deposit. Calgary needs a Mayor with a simple, affordable plan who will find immediate solutions to our housing problem.

According to the Canada Mortgage and Housing Corporation (CCMC), up to **6700** single family units and **4300** condo units are presently in the planning stages in Calgary. Concurrently, the Calgary Real Estate Board is reporting a surplus number of homes listed for sale in Calgary. For renters, the Calgary Apartment Association numbers indicate that there are about **36 000** rental units with about a **3.5%** rental vacancy in Calgary (not including secondary units.) This data confirms that housing is available. So, the problem facing Calgarians is not the housing stock: the problem is affordability.

Ensuring that low income Calgarians are given assistance to enter the rental or home ownership market is good for all Calgarians. Not only is this altruistic, but it is fiscally smart and responsible. Our growing city needs first time home buyers and renters to drive the housing market. But even more importantly, there are social and health benefits which arise from the stability and pride that go with home ownership. Life on the street or a life of financial uncertainty causes stress which can lead to health issues and crime. Statistically people who are stabilized in a home cost less to our health care and criminal justice system. Children who grow up in a stable home environment also fare better in the school system and become better citizens.

Let’s talk about financial accountability. An example is the recent affordable housing development near the Louise Bridge downtown. The approximate price was \$40m for 80 units. Downtown high rise construction is about \$400 sq ft. To put things in perspective, construction of estate homes costs roughly \$300 sq ft. This type of “affordable housing” is not sustainable. Why are we building the most expensive form of housing for people who can least afford it?

I would like to lay out a plan that does not take 10 years to execute. My plan will require no capital expenditure, no increased debt on the City books, and no tax increases. There will be less political ribbon cutting and fanfare, but more people off the streets.

My plan is to work with current rental stock in Calgary and place people where they work or near a strong public transportation network. Rather than forcing people onto welfare and keeping families homeless, I propose to offer hard working, low income people and families a hand up. I propose allocating up to \$6000 per unit to help with damage deposits and offset the difference between the actual rent and what they can afford. This program will immediately end homelessness for families in Calgary. It will help low income workers to become a vital part of our community. It will allow housing for people who want to flee domestic violence.

How do we pay for this? We reallocate taxpayers' assets by selling off current housing stock in Calgary Housing. Calgary Housing is sitting on a billion dollars of assets. By selling off \$50m of inventory, I will create a trust that reallocates the interests of the \$50m and redirect to subsidies. This should allow us up to \$2.5m per year in interest to subsidize over 300 units perpetually without raising taxes, increasing debt, or artificially raising the costs of housing in Calgary. We reduce costs of maintenance, we add 300 units at almost 1/10 of current new construction. Needless to say, current tenants would be protected from rate increases and apartments from condo conversions.

As Mayor, I believe my responsibility is not for the City to build new affordable housing but to be a facilitator of affordable housing options in Calgary. I want to work with the private sector to create the right plan to reallocate City assets as well as use our buying power to enter into long term contracts with landlords to drive down the costs further for affordable housing.

This plan is not about building legacies. This plan is not about building social housing with the potential stigma that goes with it. It's a plan that places people closer to their work. It creates no addresses of concern. Hard working people get to live in good communities across the city. The plan reallocates Calgary's assets and reinvests in Calgarians, not buildings. We offer the least expensive form of housing for those who need it. We offer an affordable housing plan that is affordable. We can offer it, right now.