

December 22, 2021

Ms. Tammy Menssa
Chief Administrative Officer
North Peace Housing Foundation
6780 – 103 Avenue
Peace River AB T8S 0B

Dear Ms. Menssa:

We are pleased to provide your 2022 Alberta Social Housing Corporation (ASHC) Social Housing, Lodge Assistance Program, Capital Maintenance & Renewal and Rent Supplement approved budgets.

Budgets will be formalized annually with the provincial Budget 2022. Should the province's budget change, ASHC will provide updates and direction to mitigate any impact on HMB budgets.

The ASHC recognizes the importance of the contribution of the Government of Canada to the social housing programs in Alberta through the funding provided in the Canada Community Housing Initiative and Canada Housing Benefit. These initiatives are part of the National Housing Strategy and provide funding to improve housing affordability.

2022 Social Housing Operating Budget

In 2021, your housing management body (HMB) operating budget was held consistent with 2020. Current target estimates support a proposed increase of 2.5 per cent to your 2021 budgeted expenses.

Your 2022 approved operating deficit budget is (\$652,817).

Early in the New Year, you will be provided with your site-level budget templates that must be completed and returned to your Housing Advisor by **March 31, 2022**.

2022 Lodge Assistance Program (LAP)

Many lodge operators continue to experience higher vacancies due to the pandemic in addition to rising costs in implementing pandemic-related public health orders. Overall, the average vacancy rate in lodges has increased to 20 per cent in 2021, an increase of eight per cent from 2020. In an ongoing effort to reduce the impact of these higher vacancies, an exception is being made in determining your 2022 LAP grant.

The ASHC will provide a LAP grant based on your 2022 LAP submissions or your 2020 LAP grant (“*Baseline*”), whichever is the greater amount. This follows a similar process to 2021 and ensures that lodge operators will receive, at a minimum, the same grant received in 2020 based on eligible residents prior to the pandemic.

There is no change to the current process regarding the February 28 snapshot and submissions. Lodge operators are required to provide resident information for all residents as of February 28, 2022 – even if the resident count remains lower than 2020. This information will serve as your baseline for 2022 and provides the department with valuable reporting on vacancies experienced in 2022.

2022/2023 Capital Maintenance & Renewal Budget (CMR)

Department staff reviewed the proposed CMR projects identified in your latest business plan submission with you in November. The approvals considered age, condition and facility component priorities (i.e., life safety, building envelope, mechanical, electrical, environmental sustainability, etc.). As with last year, the proposed projects were also reviewed by Infrastructure and Treasury Board and Finance, along with the proposed CMR projects from other ministries.

ASHC Owned Assets

Based on the evaluation, we are pleased to advise you that CMR investment funding of \$301,500 is approved for the ASHC-owned portfolio, as per the attached listing.

Scope development and procurement work can commence on the identified projects in January 2022. There is no need to wait until April 2022 to commence these activities. Please note, it is recommended that the scope development and procurement commence on exterior work first, so that work on site can commence as early in the spring as possible.

Non-ASHC Owned Assets

There is no CMR funding currently approved for the non-ASHC owned portfolio. If you operate a non-ASHC owned portfolio, the CMR budget will be approved early in 2022 and you will be notified if funding is approved for these projects.

General CMR Program Information

Maintaining safe, secure, affordable housing for Albertans with low income is a key priority that both the government and your organization shares. If you have any emergent capital issues, or any CMR-related questions, please email SH.CMR-Housing@gov.ab.ca

Rent Supplement Budget

Your 2022 Rent Supplement Program (RSP) budget is **\$206,000**. Your rent supplement funding is broken out as follows:

- Your 2022 RAB rent supplement budget is **\$164,000**.
 - Starting January, you will receive monthly funding of **\$13,667**.
- Your 2022 PLRS rent supplement budget is **\$42,000**.
 - Starting January, you will receive monthly funding of **\$3,500**.

The funding you will receive on a monthly basis remains consistent with the amounts provided in 2021 after the new re-designed rent supplement program was fully implemented in May 2021.

Private Landlord Rent Supplement (PLRS)

The PLRS program will continue to remain closed to new intake as existing units under the Canada-Alberta Social Housing Agreement (SHA) are phased out over time. As these agreements expire, current PLRS recipients can transition to the RAB program if they remain eligible.

For 2022, we ask that you maintain a maximum of 11 PLRS units (“Baseline”). Households receiving AISH or Income Support must continue to be prioritized to remain within your allotted PLRS units until January 1, 2024. Agencies receiving PLRS funding are also prioritized to retain PLRS spaces as long as spaces are available. If your baseline for 2022 exceeds the sum of these groups, it is up to the HMB’s discretion to determine which additional households to continue to maintain under the PLRS program.

Below you will find your annual schedule of the maximum number of PLRS units designated for your portfolio. The full schedule will support you in reviewing your portfolio, planning upcoming renewals and providing sufficient tenant notice for households transitioning out of PLRS and into RAB.

Year	PLRS Units
2022	11
2023	11
2024	8
2025	0
2026	0
2027	0
2028	0
2029	0

COVID-19 Funding

The COVID-19 pandemic has had an operational and financial impact on housing operators, including those who operate the Seniors’ Lodge Program. There has been increased costs for staffing, equipment, supplies, and cleaning, in order to meet the protocols under the health orders as set down by the Chief Medical Officer of Health (CMOH). In 2021, Seniors and Housing has continued to reimburse incremental COVID-19 costs to Seniors Lodge and Unique Homes programs only. As we navigate the effects of the pandemic moving into 2022 and a new fiscal year, we are asking operators to continue tracking incremental COVID-19 expenses for these two programs while the CMOH health orders remain in place.

We recognize the efforts of seniors’ self-contained and community housing program operators, who were not provided incremental funding for additional expenses related to

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COVID-19. We appreciate these operators for absorbing related costs within your approved operating targets.

Stronger Foundations – Affordable Housing Strategy

On November 2, 2021, Minister Pon announced *Stronger Foundations: Alberta's 10-year strategy to improve and expand affordable housing*. The strategy defines the vision for affordable housing in Alberta, and ensures Albertans have access to safe, affordable housing that meets their needs and promotes quality of life. Stronger Foundations aims to serve 25,000 more households for a total of 82,000, through 13,000 new units, and 12,000 more rent supplements. Stay tuned for more information in the New Year.

Overall

We will continue to work with you to address any concerns you may have with our current operating or CMR budget in the upcoming year. We trust you will continue to find efficiencies within your organization to meet this budget, with minimal impact to the services provided to tenants and ensure that units remain operational.

Section 21 of the *Management Body Operation and Administration Regulation* notes that expenditures must be made within approved budgets. ASHC has limited funding for contingency and HMBs will be held accountable to manage operations within their budgets. Budget amendments will only be considered on an emergency basis for unforeseen events.

If you have any questions or concerns regarding your budget, please contact your Housing Advisor directly.

Yours truly,



Philip Henke, CPA, CGA
Director
HMB Operations and Compliance
Housing Division

Attachment

cc: Hazel Reintjes, Board Chair, North Peace Housing Foundation
Dora Fitz, Housing Advisor
Phil Sudol, CMR Program Manager