



North Peace Housing Foundation

6780 – 103rd Avenue, Peace River, Alberta T8S 0B6
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To: The Board of Directors

From: Tammy Menssa

Re: NPF 2024 Budget vs 2023 Budget

Date: March 22, 2024

On March 8, 2024, North Peace Housing Foundation received our 2024 Alberta Social Housing Corporation Social Housing, Lodge Assistance Program, Rent Supplement Program and Capital Maintenance and Renewal Budgets. Presented below is a comparison of the Foundation's 2024 Budgets to 2023:

1. Social Housing Operating Budget:

- In 2023, the operating program deficit budget for the North Peace Housing Foundation remained consistent with the previous year, at (\$652,817).
- However, there was a substantial increase in the approved operating program deficit budget for 2024, which stood at (\$876,015), an increase of (223,198). This represents a notable increase in the deficit allocation, indicating opportunities to address rising operating costs or expanded program initiatives including a tenant support worker or additional staffing.

2. Lodge Assistance Program (LAP):

- The 2023 letter does not explicitly mention the LAP or any specific changes in funding or program structure related to it.
- However, in 2024, LAP grant funding will return to pre-COVID funding methodology, based solely on the February 29 snapshot and subsequent submissions.
 - LAP rates are being increased by approximately 55% to assist with increasing costs and the increase to the monthly disposable income to \$357 per month, up from \$344 per month.
 - The LAP rate will be increasing \$7.27, from \$13.23 per qualifying resident per day, to \$20.50. An additional \$2,654 per qualifying resident per year.
 1. Homesteader Lodge will qualify for an additional \$9.00 per resident per day from \$7.14, an increase of \$1.86, as part of the Small Lodge Grant.
 - A quick calculation of the increase to the LAP funding based on December occupancy and resident income amounts will bring approximately \$296,000 additional funding into the Lodge program.

3. Rent Supplement Program (RSP) Budget:

- In 2023, the RSP budget was set at \$206,000. In 2024, there was a noticeable increase in the RSP budget, which rose to \$250,000, an increase of \$44,000.00.
- Beginning in April of this year, HMBs are able to claim an administration fee of \$40 per unit per month, up from \$31.00.

4. Capital Maintenance & Renewal (CMR) Budget:

- The 2023 letter discusses ongoing CMR projects and the necessity of awaiting finalization of the Provincial Budget 2023 to determine the approval of CMR projects for the fiscal year 2023/24.
 - The Foundation did not receive any CMR funding at the time of the Budget Letter.

- However, in November of 2023, the Foundation received CMR funding in the amount of \$250,000 from ASHC with the request that some of the funds be used towards suite renewals.
- In 2024, there is an explicit mention of the review of CMR projects based on the 2024 Provincial Budget and the Foundation's CMR priority projects identified in last years Business Plan submission. To date, there have been no updates on CMR funding.

Recommendation:

Accept as Information.

Thank you,



Tammy Menssa
Executive Director

March 8, 2024

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

Dear Ms. Menssa:

The Provincial Budget 2024 was formally announced on February 29th and we are pleased to provide your 2024 Alberta Social Housing Corporation (ASHC) Social Housing, Lodge Assistance Program, Rent Supplement Program, and Capital Maintenance & Renewal budgets.

These targets will supersede the interim 2024 ASHC budget information that was provided to you in December 2023 and the correlated funding provided towards your operations in the 1st quarter of 2024. Changes to your monthly funding will begin in April to match the increases in our 2024-25 ASHC fiscal cycle.

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

For more information on the Canada Community Housing Initiative and the National Housing Strategy, please visit: <https://www.cmhc-schl.gc.ca/en/nhs>.

2024 Social Housing Operating Budget

Your 2024 approved operating program deficit budget is **(\$876,015)**.

ASHC will provide a one-time payment in April, to align the monthly funding received for the January – March (Interim) period with the April – December monthly funding to be received.

- January – March Monthly Payment \$54,402
- One time payment in April \$55,797
- April – December Monthly Payment \$73,001

Your 2024 budget should provide options for keeping units open and addressing rising operating costs, such as utilities, staffing, supplies and other expenses. In addition, this increase in funding may allow flexibility towards other housing related initiatives including tenant support worker(s), operating maintenance, staffing compliments, etc.

Ms. Tammy Menssa
North Peace housing Foundation

As in the past, HMBs are at liberty to adjust revenues and expense categories between properties within your Social Housing Budgets while balancing to your approved operating budget target. In the next couple of weeks, you will be provided with site-level budget templates. Please complete and return your 2024 site-level budget reallocations to your Housing Advisor by **June 30, 2024**.

2024 Lodge Assistance Program (LAP)

In 2024, the ASHC will return to the LAP grant funding methodology based solely upon your February 29 snapshot and submissions. The ASHC will no longer provide a LAP grant that includes a comparison to your 2020 LAP “baseline”.

- Note – as 2024 is a leap year, your LAP grant will be calculated based on 366 days.

LAP rates are being increased by approximately 55% to assist with increasing operating costs (including new initiatives like tenant support workers) and the minimum monthly disposable income increase to \$357 per month for residents within the Seniors Lodge Program. The new rates provided by ASHC are increasing as follows:

- LAP and Unique Homes are increased from \$13.23 to **\$20.50**,
- Small Lodge Grant rate is increased from \$7.14 to **\$9.00**,
- Cottage rates are increased from \$2.04 to **\$3.00**.

Rent Supplement Budget

Your 2024 Rent Supplement Program (RSP) budget is **\$250,000**.

The RSP makes effective use of the Canada Housing Benefit funding to support Alberta communities in need of affordable housing. We continue to strive to achieve 12,000 additional Rent Supplement units under the Stronger Foundations affordable housing strategy.

Beginning in April 2024, HMBs administering RSP are eligible to claim an administration fee, up to a maximum, of **\$40 per unit per month**. This translates to an increase of \$9 from the current rate of \$31.

Your 2024 rent supplement funding is broken out as follows:

	Monthly Payment		2024 Budget
	Jan - Mar 2024	Apr - Dec 2024	
RAB	\$20,833	\$20,833	\$250,000

Capital Maintenance & Renewal (CMR) Budget

Department staff are reviewing the 2024 Provincial Budget and your submitted CMR projects identified within your current business plan submission. Decisions on funding availability for both ASHC Owned Assets and Non-ASHC Owned Assets will be forthcoming.

Ms. Tammy Menssa
North Peace housing Foundation

The approvals considered age, condition, impact of failure and facility component priorities (i.e., life safety, building envelope, mechanical, electrical, environmental sustainability, etc.). As per our process, the CMR proposed projects are reviewed by Infrastructure and Treasury Board & Finance (TBF). Proposed CMR projects from other Ministries follow a similar process.

Stronger Foundations – Affordable Housing Strategy

2023 was the second year of implementation of *Stronger Foundations: Alberta's 10-year strategy to improve and expand affordable housing*. The strategy outlines changes needed to provide safe, stable, affordable housing for an additional 25,000 households.

For a review of the five key goals to be achieved over the next 10 years and a progress update, please go to <https://www.alberta.ca/stronger-foundations-affordable-housing-strategy.aspx#progress-to-date>.

Budget 2024 continues to provide additional funding to build, deliver and support affordable housing options as part of Alberta's Stronger Foundations strategy.

Overall

We appreciate your continued efforts in working within your approved budgets 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

cc: Hazel Reintjes, Board Chair, North Peace Housing Foundation
Dora Fitz, Housing Advisor