

Expansion of the Temporary Rental Assistance Benefit

Moved by: City of St. Albert

Seconded by: TBD

WHEREAS the Governments of Canada and Alberta proclaimed that every Canadian deserves a safe and affordable place to call home and committed to providing \$444 million in rent support to low-income Albertans in need through the Canada-Alberta Housing Benefit from 2019 to 2028;

WHEREAS the Stronger Foundations Alberta Affordable Housing Strategy identifies the goal to simplify processes and regulations for eligibility, prioritization and rent setting; creating a more transparent and fair system for Albertans who need housing supports, while protecting the most vulnerable, and ensure housing eligibility is fair, clear, and equitable.

WHEREAS the Final Report of the Alberta Affordable Housing Review Panel states that “Albertans need safe, suitable, and affordable housing to participate successfully in the economy and society” and this should apply to all Albertans, regardless of geographic location;

WHEREAS Albertans across the province are facing increased financial pressures and there are 11.4 per cent of all Albertans in core housing need, which is not limited to the boundaries of specific municipalities;

WHEREAS the Temporary Rent Assistance Benefit Program is intended to assist lower income Albertan households to afford their rent in housing of their choice and access to the two year benefit program is currently restricted to residents living in seven Alberta communities and is not available in other Alberta municipalities;

IT IS THEREFORE RESOLVED THAT Alberta Municipalities advocate for the Government of Alberta to expand the current Temporary Rent Assistance Benefit beyond the current eligibility of the identified seven municipalities to enable all low-income Albertans to potentially access this funding to support appropriate housing on a temporary basis, which would assist Albertans to stabilize and improve their situation during the economic recovery.

BACKGROUND:

On July 6, 2021, the Governments of Canada and Alberta announced the Canadian-Alberta Housing Benefit, which would provide \$444 million in rent relief over a ten-year period, until 2028. One component of this funding was the introduction of the new Temporary Rent Assistance Benefit (TRAB), intended to provide a modest subsidy for working Albertan households with low income or those between jobs for a period of up to two years. Program funding is only available to Albertans who reside within the cities of Calgary, Edmonton, Grande Prairie, Lethbridge, Medicine Hat and Red Deer, as well as the Regional Municipality of Wood Buffalo. Albertans living outside the borders of these jurisdictions are not eligible for TRAB, despite meeting other program criteria, and may be paying the same or higher average market rents identified within the seven municipalities where the benefit is available.

This program is part of the provincial response to the joint funding agreement by the Government of Canada and Government of Alberta. The program addressed some of the recommendations from the Affordable Housing Review Panel (final report, October 5, 2020). The report outlines that in 2016 there were 164,275 (11.4 per cent) Albertans in core housing need. A household in core housing need is defined as one whose dwelling is considered unsuitable, inadequate or unaffordable and whose income levels are such that they could not find alternative suitable and adequate housing in their community. The report also identified that without action the number of Albertans in core housing need would continue to grow.

The program criteria for TRAB is not directed towards ending homelessness, but rather to bridge the gap for low income working households who are paying in excess of 30 percent of their income towards housing costs, or who are temporarily out of work. Albertans are eligible if they earn incomes at or below the provincially published income thresholds for the community they live in, based on the number of bedrooms required for the household size. The two-year fixed rate subsidy is re-assessed after the first year and is reduced in the second year, however households can reapply for rent assistance at the end of two years. Households are prioritized on a first-come, first-served basis and the benefit is paid directly to tenants, with a minimum of \$100 per month. The full rate schedule can be found here <https://open.alberta.ca/dataset/d0e76201-ba35-48d3-88c6-53ad54c43e51/resource/07833782-f819-4ace-bcb3-96182e5ab1ca/download/sh-temporary-rent-assistance-benefit-rates-2021.pdf>

The Rental Assistance Benefit Program is available to low income Albertans through most housing management bodies across the province. Prioritization for this long-term program is based on need, meaning that only the lowest income thresholds are eligible. This ongoing program has long waiting lists, which creates a significant risk for Albertans to become homeless, as they wait for availability. For example, as of February 2020 nearly 10,000 people were on the waitlist with Capital Region Housing (now Cividia) to receive rental assistance.ⁱ

The TRAB supports Albertans who are not eligible to access deeper subsidy programs, with the goal of supporting tenants who are between jobs or are working with low income. This program also allows Albertans to exercise more choice in their housing, which creates direct economic benefits for housing providers, while ensuring families find suitable accommodations near their place of employment and/or supports. TRAB can help to bridge a gap for Albertans to prevent the requirement for greater, long-term subsidies in the future.

The past several years have created significant financial pressures on Albertans across the province, beginning with an economic downturn in 2015/16, unstable oil and gas prices, followed by economic uncertainty as a result of a worldwide pandemic. As Alberta enters into a recovery phase from the pandemic, substantial inflation, not seen in 30 years, is adding additional financial stress on Albertan households.

Although the overall consumer price index has increased by 6.5 per cent in Alberta, some goods and services have seen higher increases in costs. Food prices (6.8 per cent), transportation costs (13.8 per cent), and energy costs for utilities (30.7 per cent) all represent inflation costs above the overall average, with both transportation and utility inflation rates higher in Alberta than the national average increase.ⁱⁱ “Despite a strong recovery, average incomes in Alberta have decreased 4 per cent, since the start of the pandemic, and Albertans are falling behind their peers.”ⁱⁱⁱ The Alberta

economy has not yet recovered from the impact of COVID, and while oil prices have improved, economic uncertainty and lower availability of permanent full time work prevails.

One of the key principles identified during the Affordable Housing Review, whose recommendations formed the foundation of the TRAB program, is that a fair, equitable, and inclusive affordable housing system is essential. However, this principle was not put into practice when the TRAB criteria was established, limiting the accessibility of the benefit to residents only within select municipalities.

The latest available population numbers indicate that the population of Alberta is 4,271,759, while the total population for the seven municipalities eligible for the TRAB is 2,704,453.^{iv} Therefore, approximately half of Albertans are ineligible to access this benefit, due to their geography, despite potentially meeting other eligibility requirements. Overwhelmingly, most municipalities in Alberta, and therefore their residents, are ineligible to access this funding. 21.2 per cent of all core housing need is outside of the seven municipalities currently eligible for the TRAB.^v

Certainly, the identified seven municipalities for the TRAB program do represent major urban centres in Alberta, however socio-economic issues do not end at municipal boundaries. These municipalities are also receiving specific funding from the Provincial and Federal governments to prevent and reduce homelessness.

Data does not substantiate that only these seven municipalities have housing pressures. For example, in 2021 the overall vacancy rate was lower for most Edmonton Census Metropolitan area communities than the City of Edmonton, as identified in the Canadian Mortgage and Housing Corporation Rental Market Survey. This survey also identified increasing average rental rates for all categories, highlighting the increasing housing costs for Albertans.

Program limitations may force Albertans who would be eligible for the TRAB to relocate to one of the seven centres to access program funding. Alternatively, if residents chose to remain in their current community of choice, the benefits intended to reduce housing instability and homelessness will not be available, and these communities may face higher incidences of housing instability and homelessness without the resources to address them fully. Increased instances of housing instability and homelessness can create additional pressures on municipalities, who have to respond to the societal issues caused by homelessness.

The existing limitations of the Temporary Rental Assistance Benefit will result in long term implications to Alberta communities whose residents deserve the same consideration for core housing need support regardless of where they reside in Alberta.

ⁱ The High Cost of Waiting. Edmonton Social Planning Council Report. February 2020.

ⁱⁱ Consumer Price Index, Canada and Alberta. Alberta Official Statistics. April 20, 2022.

ⁱⁱⁱ Alberta Snapshot. Business Council of Alberta. April, 2022.

^{iv} 2019 Municipal Affairs Population List. Government of Alberta. December 2019.

^v Statistics Canada, CMHC. Household Type—in Core Housing Need. 2016.