

Capital Planning Framework

ALBERTA SENIORS AND HOUSING

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INTRODUCTION

Alberta Seniors and Housing promotes the development of affordable housing to support access to housing options for Albertans with low income. The Government of Alberta has made a strong commitment, through the Provincial Affordable Housing Strategy, to foster a stable and integrated affordable housing system that will make life better for Albertans now and into the future.

Capital investment, guided by the Alberta Government Strategic Plan, is one of the key tools utilized to support affordable housing in the province. This investment is outlined in the annual Alberta Government Capital Plan.

The Alberta Seniors and Housing Capital Planning Framework was developed to guide the development of the ministry's Capital Plan¹, which forms a part of the Alberta Government Capital Plan, and provides information on the capital planning process to Albertans and housing providers seeking capital funding.

The Framework:

- defines capital planning,
- describes the ministry's capital programs and how capital investments are prioritized as part of the development of the Capital Plan, and
- provides an overview of the annual Capital Plan process including roles, authorities and timelines.

WHAT IS CAPITAL PLANNING?

Capital planning is the process of identifying and prioritizing multi-year capital needs, identifying specific projects and approving capital budget targets. The Government of Alberta Capital Plan sets out four-year investment targets that help achieve the outcomes of the Strategic Plan. In the same way, Seniors and Housing's portion of the Capital Plan supports the outcomes of the ministry's Business Plan and is guided by the Provincial Affordable Housing Strategy.

ALBERTA SENIORS AND HOUSING CAPITAL PROGRAMS

The Capital Plan focuses investments in both existing and new affordable housing. The investment made under the Capital Plan flows through Alberta Seniors and Housing's capital programs. These programs demonstrate the Ministry's priorities for capital investment and are designed to meet desired housing objectives for the target population of each program.

All capital programs are also designed to support the achievement of outcomes outlined in the Provincial Affordable Housing Strategy. Four of these outcomes are key in guiding the Ministry's capital investment decisions:

¹ Unless otherwise identified, the term Capital Plan throughout the Framework refers to the ministry's Capital Plan.

Quality: The condition of government-owned and supported housing units meets or exceeds industry standards and reduces environmental impact.

Sustainable: Capital investments, programming, and financial decisions are planned and managed to meet present and future needs of the affordable housing system.

Integrated: The affordable housing system is socially incorporated into communities, and integrates social, education, health, and community-based supports.

Adaptive: The affordable housing system is flexible, innovative and responsive in order to effectively meet the needs of Albertans

Programs are evaluated on an annual basis to ensure they continue to align with ministry priorities and to monitor alignment with *Provincial Affordable Housing Strategy* outcomes outlined above.

There are currently five capital programs which are described below. Information regarding the prioritization of capital projects for inclusion in the Capital Plan will be provided later in this Framework.

Family and Community Housing Development and Renewal

The Family and Community Housing program provides subsidized rental housing for families and individuals with low income who cannot afford private sector accommodation. Tenant selection is the responsibility of management bodies/housing providers. Households are given priority based on need, as determined by income, assets and the suitability of their current housing condition. Rents are based on 30 percent of a household's adjusted income.

The purpose of this capital program is to facilitate major renovation, replacement and extension projects to government-owned and/or supported affordable family and community housing that is operated under the *Alberta Housing Act* or through long term operating agreements where tenant rent is set based on the tenant's income (also known as Rent Geared to Income).

The target population of the projects supported through this capital program is families with low income.

The objectives of this program are to support the:

- Regeneration and/or addition of existing deep subsidy units²,
- addition of new mixed-income supply, and
- blending of unit types to support a range in the age of tenants (e.g. blend seniors self-contained units with community housing).

² Units are defined as deep subsidy units where the tenant's rent is based on 30 percent of their total household income, also referred to as rent geared to income (RGI).

Seniors Housing Development and Renewal

Seniors Housing includes seniors lodges and seniors self-contained living. Households are prioritized on the basis of need. Along with other types of affordable housing, community residency requirements may also be in place.

- Lodge accommodation offers single or double bed/sitting rooms, meals, housekeeping, linen / laundry service and life enrichment activities. Services beyond this basic offering may vary depending on the lodge and the community. Tenant selection is delegated to management bodies/housing providers. Municipalities, which are members of the management body, financially support the lodges by paying the facilities' operating deficit. Municipalities also have representatives on the boards of the management bodies/housing providers. The Province provides operating funding through the Lodge Assistance Program.
- Seniors self-contained housing provides apartment accommodation for low-income senior citizens who cannot afford private sector accommodation. Rent is based on 30 percent of a household's adjusted income. The province owns the apartments, however, tenant selection has been delegated to management bodies/housing providers.

The purpose of this capital program is to facilitate major renovation, replacement and redevelopment projects at government-owned and/or supported affordable independent and supportive seniors housing that is operated under the *Alberta Housing Act* or through long term operating agreements where tenant rent is set based on the tenant's income (subsidized units). The program involves joint capital planning with Alberta Health to ensure continuity of affordable housing options as seniors' care needs change (e.g. move from independent living into supportive living and/or continuing care accommodations).

The target population of the projects supported through this capital program is seniors with low income.

The objectives of this program are to:

- regenerate and/or expand aging buildings,
- add new mixed-income supply, and
- support aging in community by integrating accommodation types (e.g. seniors self-contained units with community housing, lodge accommodation and continuing care into a campus of care).

Affordable and Specialized Housing

For specialized populations, there is a wide range of programs that provide monthly subsidies and other forms of operational support to non-profit organizations to cover operating deficits, including the mortgage principal and interest payment based on eligible capital costs. These units, owned by private non-profit groups, provide households with special needs (i.e. mental health, physical disability, chronic homelessness, victims of family violence etc.) with integrated housing and supports.

The purpose of this capital program is to develop new affordable housing projects that provide supportive social or health services for Albertans with a focus on reducing homelessness and ensuring that affordable/suitable housing is available for populations with specialized needs. Joint capital planning with Alberta Community and Social Services and/or Alberta Health ensures that capital investments under this program are coordinated with appropriate supports and operational funding.

The target populations of the projects supported through this capital program are Albertans experiencing homelessness, persons with disabilities or addictions and/or mental health issues and other Albertans in vulnerable situations (e.g. persons fleeing violence).

The objectives of this program are to support the:

- development of new affordable housing that facilitates the provision of health and other supports in the community,
- reduction of homelessness in Alberta, and
- development of community-based specialized housing.

Indigenous Off-Reserve Housing

The New Housing Supply - Off-reserve Housing initiative speaks to the Government of Alberta's commitment to honour the principles and objectives of the United Nations Declaration on the Rights of Indigenous Peoples.

This capital program is currently under development by the ministry and is anticipated to be implemented in Winter 2017/18. Details related to the purpose and objectives of this program will be added to this Framework upon their approval.

The target population of the projects that will be supported through this capital program are Indigenous persons residing off-reserve.

Capital Maintenance and Renewal

A critical aspect of service delivery is ensuring the continued viability and functionality of assets within the provincially owned and supported affordable housing portfolio. This enables the uninterrupted availability of operational and safe housing and supports for households with low income.

The purpose of this capital program is to fund the preservation and maintenance of existing government-owned and/or supported affordable housing that is either operated under the *Alberta Housing Act* or through long term operating agreements where tenant rent is set based on the tenant's income (subsidized units).

To be considered under this program, individual project costs must exceed \$5,000 and result in enhancements to the housing asset that:

- increase the previously assessed physical output or service capacity,
- reduce associated operating costs,
- extend the estimated useful life, and/or
- improve the physical condition and/or functionality of the facility.

The objectives of this program are to support the:

- continued safe operation of existing affordable housing,
- reduction of deferred maintenance throughout the government-owned and/or supported affordable housing portfolio, and
- improve the physical condition and functionality of existing affordable housing.

Planning

Planning funds are evidence of the Government of Alberta's commitment to ensuring projects follow a structured path from concept development to construction. This process validates the need, identifies options, and determines the best solution to address the need.

The purpose of this capital program is to provide funding to support the identification of capital projects and to complete the options analysis and other activities that clarify the proposed project scope, schedule and budget allocation.

The target population of the projects supported under this capital program are Albertans with low income (e.g. seniors and families).

The objectives of this program are to ensure:

- organizations are able to complete capital planning activities (e.g. feasibility studies, scope and cost definition) to support the development of affordable housing, and
- to confirm alignment between project scope, schedule and budget parameters.

PRIORITIES / DECISION-MAKING

Decision-making regarding projects for inclusion in the Capital Plan, under one of the programs outlined above, is informed by asset management principles and evidence-based assessments to enable effective and efficient planning and prioritizing of capital projects. Capital development projects are evaluated and prioritized using a two-phase process. Phase I of the evaluation involves evaluation and prioritization of Capital Development projects based on factors including need, age, condition, functionality and the operating model. The second phase of the evaluation considers factors including alignment with the government's strategic priorities, geographic location and other project characteristics.

Phase 1 – Determining Relative Need for Capital Development Projects

Property age, condition and functionality

- Properties will be assessed as per the age and facility condition, with a priority to replace older and functionally obsolete properties.
- Condition assessments are based on Facility Condition Index reports and data.
- This is one of the assessment criteria categories for all programs except Community and Specialized Housing (New Supply).

Housing need

- Considers evidence of ongoing need for housing including the housing provider waiting lists, population projections, provincial and local needs assessments, market housing conditions, other housing options in the community, location of emergency services, etc.
- This is one of the assessment criteria categories for all programs except Capital Maintenance and Renewal.

Operating model

- Ability to operate sustainably or maintain acceptable level of government support and also considers depth of subsidy.

Phase 2 – Additional Considerations for Project Approval

Alignment with government strategic priorities

- Examples of current strategic priorities include the Provincial Affordable Housing Strategy and the Climate Leadership Plan.
- Assesses program outcomes; service delivery models; economic development at community, municipal, and provincial levels; environmentally sustainable construction and design; and innovative financing.
- This is one of the assessment criteria categories for all programs.

Other Project Characteristics

- Integration with community, land secured and appropriately zoned and accessibility features

Geographic Distribution

- Contributes to the appropriate distribution of affordable housing throughout communities.

Capital Maintenance and Renewal Prioritization

Considerations used when prioritizing potential projects within the existing portfolio include:

Life, Health and Safety Needs (Priority 1)

- The imperative to address these projects is based on identification of issues that need to be addressed to mitigate a real potential or imminent risk to the life, health and/or safety of building tenants. This category includes projects that ensure both accessible and safe housing for Albertans, including those with disabilities; and life safety systems, including the installation of fire suppression systems in government-owned and supported seniors' lodges.

Immediate Needs (Priority 2)

- The imperative to address these projects is based on the identification of issues that need attention in order to prevent them from escalating to priority 1, or that could lead to serious or prolonged deterioration of a building or its systems and negatively affect the tenants.

General Needs (Priority 3)

- Projects that are assessed as non-urgent and can be planned over a period of time without undue risk to the tenants and/or building systems.

ANNUAL CAPITAL PLANNING PROCESS

The development of the Capital Plan aligns with the government budget process and follows an annual cycle.

- Treasury Board approves overall Capital Plan strategy, programs and budget targets (both capital investment and capital grant funding budget targets).
- Minister recommends specific capital projects (planning and implementation) within established budget targets to Treasury Board for consideration and approval.
- Any changes to capital project approvals (project scope, schedule or budget) also require Treasury Board approval.

ELIGIBILITY AND APPLICATION DETAILS

Program fact sheets are available for further information. These include eligibility and applications details including deadlines.

Appendix A: Alberta Seniors and Housing Capital Planning Framework

Inputs	Capital Programs	Ministries	Objectives	Prioritization	Projected Units (2017 Plan)	Projects
Provincial and Local Needs	Family and Community Housing Development and Renewal <ul style="list-style-type: none"> Families with low-income 	Seniors and Housing	<ul style="list-style-type: none"> Regenerate existing deep-subsidy units (Action 1.1) Add new mixed-income supply (Action 1.1) 	<ul style="list-style-type: none"> Housing Management Body (HMB) Business Plans Property age and condition Provincial needs model 	<ul style="list-style-type: none"> Total: 2,548 Regenerated: 1,406 Net New: 1,142 	See attached listing for projects <ul style="list-style-type: none"> approved for construction approved for planning proposals for review
	Seniors Housing Development and Renewal <ul style="list-style-type: none"> Seniors with low-income 	Seniors and Housing Health	<ul style="list-style-type: none"> Regenerate aging buildings (Action 1.2) Add mixed-income units (Action 1.1) Blend with seniors self-contained and continuing care to support aging in place (1.2, 3.1, 3.2) 	<ul style="list-style-type: none"> Housing Management Body (HMB) Business Plans Property age and condition Continuing Care Capacity Needs Assessment Pre-1980 		
Service Plans (for specialized populations)	Affordable and Specialized Housing <ul style="list-style-type: none"> Persons experiencing homelessness, persons with disabilities, addictions and/or mental, and other Albertans in vulnerable situations 	Seniors and Housing Community and Social Services Health	<ul style="list-style-type: none"> Support Health's move to care in the community (Action 1.1 and 3.2) Support Community and Social Services to reduce homelessness (Action 1.1) Support community-based special needs housing (Action 1.1 and 3.2) 	<ul style="list-style-type: none"> Health community care programs Community and Social Services programs Community support 	<ul style="list-style-type: none"> Total: 914 Regenerated: 297 Net New: 617 	
	Indigenous Off-Reserve Housing <ul style="list-style-type: none"> Indigenous persons residing off-reserve 	Seniors and Housing Indigenous Relations	Action 1.1 <ul style="list-style-type: none"> Determined from Listening Tour (underway) 	<ul style="list-style-type: none"> To be developed based on results of Listening Tour (underway) 		
Property Age and Condition	Capital Maintenance and Renewal <ul style="list-style-type: none"> Government owned (70%) and government supported (30%) buildings 	Seniors and Housing	Action 1.2 <ul style="list-style-type: none"> Safety Decrease deferred maintenance Increase functionality 	<ul style="list-style-type: none"> Life, health and safety Deferred maintenance Environmental sustainability 	<ul style="list-style-type: none"> 3,713 Facilities maintained 3,607 units impacted by fire and safety upgrades 550 households impacted by safe and accessible home modifications 	

Note: actions referenced under Objectives are part of the Provincial Affordable Housing Strategy which can be found [here](#).