



January 8, 2018

Honourable Joe Ceci
President of Treasury Board
Minister of Finance
323 Legislature Building
10800 97 Avenue
Edmonton, AB T5K 2B6

Dear Minister Ceci:

Each year at our annual Convention, AUMA members discuss and vote on proposed resolutions related to matters that impact municipalities, but require action by other orders of government. Enclosed for your response is the 2017 resolution that pertains to your ministry:

- AUMA Resolution 2017.B1 - Alberta Capital Finance Authority Access for Housing Authorities.

We look forward to your response to this resolution.

If you wish to review the resolutions pertaining to other ministries, they can be found on our website at: <https://auma.ca/advocacy-services/resolutions/resolutions-library>.

Sincerely,

A handwritten signature in black ink, appearing to read 'Barry Morishita', written over a light blue horizontal line.

Barry Morishita
AUMA President

cc: Honourable Lori Sigurdson, Minister of Seniors and Housing

Enclosure

WHEREAS Section 21 of the *Alberta Capital Finance Authority Act* provides that: 'The business of the corporation (the Alberta Capital Finance Authority, stated hereafter as the corporation) is to provide local authorities that are its shareholders with financing for capital projects';

WHEREAS Section 32(1) of the *Alberta Capital Finance Authority Act* provides that a local authority may borrow money from the Corporation in any form or manner and on any terms that are acceptable to the Corporation;

WHEREAS Section 1(g) of the *Alberta Capital Finance Authority Act* defines local authority as: 'a city, an educational authority, a health authority, a municipal authority, regional authority or a town' and does not include housing foundations and other non-profit housing organizations;

WHEREAS Section 271 (c) of the *Municipal Government Act* states that the Minister of Municipal Affairs may make regulations respecting how debt limits for a municipality are determined;

WHEREAS the Minister of Municipal Affairs has established Alberta Regulation No. 255/2000 for the purpose of calculating the debt limit of a municipality;

WHEREAS the stated mission of the Alberta Capital Finance Authority is: 'To provide local authorities within the Province with flexible funding for capital projects at the lowest possible cost';

WHEREAS housing foundations and non-profit housing organizations are created for the public benefit to deliver affordable housing options and deliver a public good;

WHEREAS a portion of the debt associated with all of these foundations and non-profit organizations currently resides within various municipalities' debt;

WHEREAS municipalities incur debt to both address significant deferred maintenance and infrastructure deficits and invest in the infrastructure required to ensure the sustainability and viability of these foundations and non-profit organizations; and

WHEREAS Alberta's Provincial Affordable Housing Strategy focuses on a sustainable systems so housing providers can better support Albertans if the housing system is financially sustainable.

IT IS THEREFORE RESOLVED THAT that the Alberta Urban Municipalities Association request that the Government of Alberta make the appropriate regulatory and legislative amendments to allow non-profit housing organizations, foundations, authorities, and other similar entities to borrow directly from the Alberta Capital Finance Authority.

BACKGROUND:

As housing foundations and similar non-profits seek to address affordable housing pressures for seniors and other vulnerable groups, their efforts are being limited through provincial regulatory and/or legislative

barriers for debt financing. While they are providing a much-needed public service and are capital intensive, they are excluded from applying directly to the Alberta Capital Finance Authority for debt financing.

Without access to such debt financing, these organizations may seek funding indirectly through agreements with local authorities such as municipalities. As these arrangements impact municipalities' provincially established debt limits, housing foundations and similar non-profit affordable housing organizations face municipally imposed limits on their borrowing capacities, which impacts the ability of foundations to fulfil their mandates.

This proposed resolution seeks to remove these regulatory and legislative barriers and support the appropriate and efficient development and maintenance of affordable housing options throughout the Province of Alberta.