



AFFORDABLE HOUSING FUNDING FINALLY ON RIGHT TRACK

MEMBER OF PARLIAMENT



PETER GOLDRING

Stable, affordable and good quality housing contributes to positive outcomes for individuals, families and communities. Peter Goldring explains how his work championing the private sector in providing affordable rental housing is finally being accepted.

In his 14 years as Member of Parliament for Edmonton East Peter Goldring has repeatedly stated that involving the private sector in providing affordable rental housing would save taxpayers' money and provide increased benefits to those in need.

He has pushed governments at all levels not to make affordable rental housing the domain solely of non-profit organizations. While there are some examples of successful, fiscally responsible non-profit projects, too many have suffered from bloated costs, meaning fewer units available as government funds are depleted.

He has published two books on the subject and had dozens of meetings with stakeholders to explain how involving the private sector in affordable rental housing benefits those needing housing and the taxpayer.

Proof of the validity of his arguments can be seen in Procura's Mayfair Village project being constructed at Jasper and 109th Avenue. Without Peter Goldring's intervention this project would not have received government funding. Now

the project is seen as a model that other developers can follow in creating affordable rental housing. The 237 unit Mayfair Village will cost taxpayers \$40 million less than if the same facility had been funded by most non-profit agencies.

Mr. Goldring met with the Honourable Jonathan Denis, who was then Alberta Minister

of Housing and Urban Affairs, in April 2011 and was greatly encouraged by his desire to provide for those in need while at the same



In 2002 a private developer proposed 2000 units of these affordable apartments in the Edmonton area with lower than market rents for a \$30,000 per door grant, but was refused funding.



time showing fiscal responsibility. Recently a new \$1.4 billion federal-provincial affordable housing framework was announced. Minister Denis said by involving the private sector Alberta is able to provide a lot more housing for a lot less money - a 36% savings in the very first two years - with much greater savings expected when the private sector is fully engaged.

Minister Denis understands that the savings on projects like Mayfair Village allow the province to provide more affordable rental housing than it would have been able to in the past. It seems that Peter Goldring's message has finally been understood.

Housing influences many aspects of life: individual health and wellbeing, educational achievement, social

connections, labour market attachment, and community identity. From a broader economic perspective, the housing sector provides employment, creates investment opportunities, and stimulates and supports economic activity.

In Edmonton East finding affordable rental housing has been a challenge for a number of years. In 2000 Pete Goldring published his first book, *Housing Affordability: An Edmonton concern and a National Challenge*. In

2008 he wrote a sequel: *Housing Affordability: Still an Edmonton concern and a National Challenge*. In both volumes he spoke of the need to involve the private sector in providing affordable rental housing, which for too long has been solely the domain of non-profit groups.

In his books he noted that the rental housing crisis is very real, particularly when 60-80 per cent of all renters in Canada have affordability problems. He pointed out that has an unnecessarily detrimental impact on Canada's economic development if the problem is not being properly addressed.



The Mayfair Village project to be built at the intersection of Jasper Avenue and 109 Street would create 237 units of affordable singles and couples housing at a fraction of the cost of the non-profit sector.

He pointed out that the only way to effectively deal with the problem is to recognize and encourage the private sector rental industry to

once more provide affordable rental housing as it did in the early 1970s. Government policies led to the withdrawal of the private sector from the rental housing industry and changed government policies are required to incent the private sector to return to the affordable rental housing market.

It was with that in mind that Peter Goldring threw his support behind the Mayfair Village project, which had initially been turned down for government funding. Since for the



most part the private sector has been excluded from affordable rental housing funding programs, it took considerable time and effort to convince the civil servants who administer the federal and provincial housing programs that there was a different, more cost-effective method of providing affordable rental housing if the private sector were to be provided with proper incentives from all three levels of government.

He worked with developer ProCura on moving this project along since it was first brought to his attention in late 2008. At that time the City of Edmonton was the only level of government willing to show support.

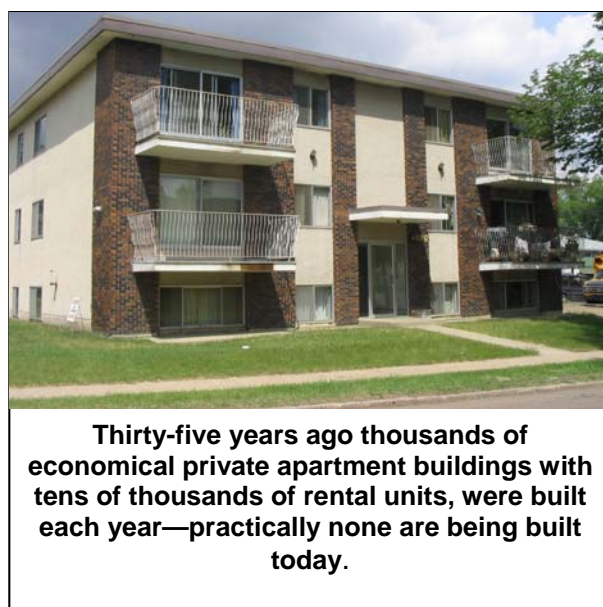
On Mr. Goldring's invitation, ProCura President George Schluessel and Chief Operating Officer Randy Ferguson flew to Ottawa in March 2009 for a special committee meeting arranged and chaired by Mr. Goldring, attended by cabinet ministers and Members of Parliament. They explained their vision for Mayfair Village and showed how supporting it would save government (and therefore taxpayer) dollars.

Mr. Goldring also spoke of Mayfair Village to Alberta caucus, and was asked by the Honourable Rona Ambrose to continue his ef-

forts in support of the project. He subsequently met with Edmonton Mayor Stephen Mandel as well as Minister Ray Danyluk (then Minister of Municipal Affairs and Housing) and Alberta Housing officials to discuss how it could best be funded.

The concern for clean, safe and affordable housing should not require that taxpayer funds be used to build housing to high-end

accommodation standards. The private sector should be encouraged to provide the best rental housing possible within a particular price range. Health and safety standards must not be compromised, but instead, reviewed regularly to ensure that they continue to match the reasonable expectations of Canadian society.



Thirty-five years ago thousands of economical private apartment buildings with tens of thousands of rental units, were built each year—practically none are being built today.

Many owners of rental properties are individuals of relatively modest means, as opposed to corporations with deep pockets. Property owners are entrepreneurs who generally look for long term profits such as when the mortgage on the apartment buildings is paid off. Not surprisingly, for profit and non-profit owners have similar interests.

The non-profit social industry of late has been skewing the free market in affordable

rental housing. It commonly builds to excess to attract the best tenants, has grants to pay down construction costs and pays very little or no mortgage, taxes, business, property or income. It rents at just below market to be highly competitive and then asks for government to pay any portion of the rent the tenant cannot. Small wonder the private sector rental industry no longer builds entry level rental housing - it cannot compete. Social Services regularly spend taxpayer dollars for upscale social living. Private industry cannot compete with the deep pockets of government at taxpayers' expense. It makes sense therefore for the model to change and more

projects like Mayfair Village to be funded.

As Peter Goldring sees it, Alberta will benefit more than other provinces from the new federal-provincial affordable housing framework because the provincial government finally understands the effectiveness of involving the private sector in providing affordable rental housing and will be able to utilize the money more effectively.

Update: The federal government's Affordable Housing Initiative is managed by the Canada Mortgage and Housing Corporation. More information can be found at www.cmhc.ca

9111 - 118th Ave.
Edmonton, AB T5B 0T9
(780) 495-3261
Fax: 495-5142

Web Site:
www.petergoldring.ca
Email:
peter.goldring.c1@parl.gc.ca

411 Justice Bldg.
Ottawa, ON K1A 0A6
(613) 992-3821
Fax: 992-6898

This brochure series is intended to highlight special issues that Member of Parliament, Peter Goldring, has been involved in. If you wish to comment, please take a moment to fill out the survey below, write or call to the address above.

Your Opinion Matters...

Should governments of all levels do more to encourage the private sector rental industry?

☐ Yes

☐ No

Do you believe that the private sector can provide independent living affordable rental apartment housing?

☐ Yes

☐ No

Comments: _____

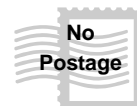
Name: _____

Address: _____

City: _____

Postal Code: _____

Telephone: _____



Peter Goldring

Member of Parliament

Edmonton East

House of Commons

Ottawa, ON K1A 0A6