



How to Ready Your Organization for the Trudeau Investment in Infrastructure

The National Situation

Speaker: Don McBain, OAHS

PROVIDING SAFE AFFORDABLE HOUSING IS OUR MANDATE.
CREATING HOMES IS OUR GOAL.



Election Platform 2015

New plan for a strong middle class

- We will renew federal leadership in housing, starting with a new, ten-year investment in social infrastructure.
- We will prioritize investments in affordable housing and seniors' facilities, build more new housing units and refurbish old ones, give support to municipalities to maintain rent-geared-to-income subsidies in co-ops, and give communities the money they need for Housing First initiatives that help homeless Canadians find stable housing.
- We will encourage the construction of new rental housing by removing all GST on new capital investments in affordable rental housing. This will provide \$125 million per year in tax incentives to grow and renovate the supply of rental housing across Canada.
- We will direct the Canada Mortgage and Housing Corporation and the new Canada Infrastructure Bank to provide financing to support the construction of new, affordable rental housing for middle- and low-income Canadians.
- We will conduct an inventory of all available federal lands and buildings that could be repurposed, and make some of these lands available at low cost for affordable housing in communities where there is a pressing need.

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New Key Players in the Federal Liberal Government

Justin Trudeau Prime Minister

Bill Morneau Minister of Finance

Jean-Yves Duclos Minister Families/Children/Social Development
(responsible CMHC, Evan Sidell Pres)

Amarjeet Sohi Minister of Infrastructure and Communities

Dr. Carolyn Bennett – Minister of Aboriginal Affairs

Adam Vaughan – Parliamentary Secretary to Prime Minister

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The Existing Facts:

- Operating agreements and their funding, established by the SHA will start to expire in a material way in 2018. From 2000 – 2015 (over 45% of the program life) less than 8% of operating agreements and funding will have expired.
- Starting in 2018, total funding provided by the federal government will expire by 61%.
- Community housing is underserved as aboriginals represent over 4% of the population while aboriginal specific housing represents just over 1% of the population. Given the age profile of Aboriginals, this disparity is likely to increase.

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The Implications of this current state include:

The large number of Community housing providers combined with very disparate sizes of portfolios make it difficult to impossible to:

- Provider quality living experiences with any consistency.
- Perform any type of integrated long term planning.
- Utilize integrated centralized information to better plan and manage issues such as waiting lists.
- Operate with governments and other organizations with a unified voice.
- Provide long term planning across the portfolio for financing, R&M, etc.
- Have the necessary resources to manage complex financial, planning and social issues that face these providers.

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Outcome Results

When operating agreements expire, formerly subsidized properties will likely revert from RGI to market rate rentals, resulting in increases of hundreds of dollars / month / family. Likely outcomes include:

- This will likely result in dislocation of the aboriginal families, as they will be forced move to different location, or, homelessness.
- Housing providers may move RGI units to Market to offset the funding loss, reducing the number of RGI units available to the Community;
- Housing providers may sell RGI units to generate operating funds to support the remaining RFI units, again reducing the number of available units.
- In 3 – 4 years, this will become a real and severe issue to aboriginal housing providers and their residents.
- The benefit of the expiry of these agreements is that it then offers the housing providers additional flexibility to sell or refinance units, which is severely limited under the current agreement.
- Will provide the opportunity to transition to a more client focused entrepreneurial business model through a business transformation process.

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The Known Future

Economic Action Plan 2013

Announced \$253 million per year, beginning in April 2014, to extend the Investment in Affordable Housing to March 31, 2019. Under this initiative, provinces and territories match federal investments and have the flexibility to design and deliver programs that are tailored to address their local housing needs and pressures. Since the introduction of the Investment in Affordable Housing in 2011, over 205,000 households have benefitted from the initiative.

2015 Federal Budget – What was the Impact?

Overall, the Government indicated that it intended to spend more than \$2.3 billion per year over the next four years to help Canadians in need have access to affordable, sound and suitable housing. Of this amount, Canada Mortgage and Housing Corporation was to invest \$1.7 billion annually to support 570,000 households that depend on social housing support, both off and on reserve. In addition, about \$170 million per year will be provided to First Nations to support the construction, rehabilitation, and renovation of affordable housing on reserves and to enhance the management of the housing stock through Canada Mortgage and Housing Corporation and Aboriginal Affairs and Northern Development Canada. This statement resulted in no new funding or initiatives simply regurgitated existing commitments

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The “Ask”

1. Protect and renew existing social housing assets

At a minimum, we must protect the existing social housing stock which provides safe and affordable housing to over 600,000 households.

2. Build 100,000 new homes

Commit to building 100,000 new units of affordable and social housing in order to reduce core housing need and homelessness among priority population households.

3. Support community transformation and innovation

Refinancing: By fulfilling this 2015 federal commitment, housing providers can immediately lower interest payments and invest more working capital into repairs retrofits and redevelopment of housing assets.

Partnerships: The HPS program has the potential to achieve meaningful reductions in homelessness across Canada but the program is under resourced

Social entrepreneurship: While operating affordable housing for Canada’s most vulnerable households will continuously require public investment, the development of some forms of affordable housing could be supported by more entrepreneurial approaches.

The Prime Ministers Direction Mandate Letters to Cabinet Ministers

Mr. Jean-Yves Duclos: Minister of Families, Children and Social Development (responsible for CMHC)

- Prioritizing infrastructure investments in affordable housing, construction of new and refurbishing existing.
- Working with the Minister of Finance to encourage new construction by removing all GST on new capital investments in affordable rental housing
- Working with the Minister of Finance to ensure that the new Canada Infrastructure Bank provides financing to support the construction of new affordable rental housing.

Dr. Carolyn Bennett: Minister of Indigenous and Northern Affairs

- Work in collaboration the Minister of Infrastructure and Communities, and in consultation with First Nations, Inuit and other stakeholders to improve essential physical infrastructure for Indigenous communities including improving housing outcomes for Indigenous Peoples

Mr. Amarjeet Sohi: Minister of Infrastructure and Communities

- Develop a 10 year plan to deliver significant new funding to provinces, territories and Municipalities including, Social infrastructure including affordable housing, creating a housing strategy to re-establish the federal governments role in supporting affordable housing, establishing a Canadian Infrastructure Bank and improving housing outcomes for Indigenous Peoples

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