



CHRA Response to the Federal Budget and Recommendations for the National Housing Strategy

June 2017

Although the 2017 federal Budget laid out a series of comprehensive investments for social and affordable housing, there were a number of programs and announcements contained in the Budget for which details will not be unveiled until the release of the National Housing Strategy, expected later in 2017. As the federal government works toward finalizing those program details, CHRA is offering its input on several of the specific announcements. CHRA's comments focus on the following announcements:

1) The new National Housing Fund:

The Budget contained a welcome investment of \$5 billion over the next 11 years to establish a National Housing Fund. The Budget also identified five specific ways in which that fund could be used. However, CHRA believes that the monies from that Fund need to be more targeted and focused in the four specific areas identified below:

- a) **A dedicated funding mechanism for capital repair and renovation of existing stock:** Funding for repairs and deferred maintenance (to properly maintain and renew the existing housing stock) remain a top concern of CHRA members across Canada. CHRA's October 2016 submission identified several models for a financing authority dedicated to housing stock renewal. We would like to discuss the exact nature of the financing mechanism, but regardless, its policy objective should be to protect the existing social and affordable housing stock. Structured properly, the initial federal investment in such a mechanism could leverage additional funds for capital needs, thereby increasing the resources available for capital requirements.
- b) **A dedicated funding mechanism for new development:** Similar to the point above, a dedicated financial mechanism should be created that will provide support to increase the supply of social and affordable housing, particularly those that employ innovative or sustainable operating models, or offer supportive programs to residents. Again, CHRA identified possible models of this mechanism in our October 2016 National Housing Strategy submission. CHRA believes a mechanism to increase supply of social and affordable housing could take the form of grants and preferential loans, and could be leveraged to secure greater overall investment in growth of the housing stock.
- c) **Maintenance and expansion of rent subsidies:** Funds under the National Housing Fund should be dedicated to ensure continued rent subsidies for those tenants in greatest need, and preferably to expand the number of Rent-Geared-to-Income (RGI) units available. CHRA will work with the federal government and other stakeholders to develop an appropriate mechanism that would meet the objective of targeting rent subsidies to tenants who most require them.
- d) **Establish a Sector Transformation Fund and Technical Resource Centre:** This initiative that was included in Budget 2017 closely aligns with the Sector Transformation Initiative recommended by CHRA in our National Housing Strategy submission – we see this initiative as necessary to provide social and affordable housing providers to transition to new operating models and a new generation of housing policies. However, there are existing mechanisms in different provinces delivering similar services, and we would argue that those services should not be duplicated. CHRA envisions this Fund and Resource Centre as comprising two key elements:
 - Facilitate access to existing information on transformative strategies by partnering with existing organizations to provide a “one stop shop” function for collection of relevant information and expertise on housing operations and best practices. This would not require creating any new structure, but rather would merely facilitate access to information that is already being provided by others.
 - Serve as a “service agency”, whereby the Centre could provide one on one service to housing providers who are looking for assistance and guidance in transforming their operations. These services would be dependent on the needs of the individual housing provider, but could include such services as financing or legal support, governance support, consultative services, or other supports required by social and affordable housing providers who wish to revitalize or modify their operational model. Certain provinces, such as Quebec, already offer similar services to housing providers in those regions – in those provinces and regions where similar services are already offered, we envision the Sector Transformation Fund as providing funding to those existing services so that they could scale up their operations and ability to offer service, thereby avoiding duplication.

2) The commitment to maintain baseline funding related to Expiry of Operating Agreements:

This commitment has clearly caught the attention of CHRA's members. We understand from Finance Canada that the value of this commitment is approximately \$4 - \$5 billion over 11 years.

CHRA believes that the funding should be used to augment the three primary programs we proposed under the National Housing Fund, namely a) a dedicated financing mechanism for capital repair and renovation, b) a dedicated funding mechanism to expand supply, and c) a dedicated program to ensure continuation of Rent Geared to Income units so that there is no net loss in the number of RGI units in Canada, and that the number of RGI can grow.

3) Support for Indigenous Peoples Not Living On-Reserve (Urban and Rural Indigenous Housing):

The Budget committed \$225 million over 11 years for housing providers "serving Indigenous Peoples not living on-reserve", which was a key recommendation in CHRA's submission to the National Housing Strategy consultation. Although this investment is welcome, it amounts to little more than \$20 million per year on average, which will not meet the dire needs of existing urban and rural Indigenous housing units, which are almost exclusively Rent-Geared-to-Income units, nor would it allow for expansion.

CHRA believes that there can be no National Housing Strategy without an Indigenous Housing Strategy. That is why, in our submission to the national consultation in October 2016, CHRA recommended that a distinct urban and rural Indigenous housing strategy be developed in conjunction with the National Housing Strategy that would have as an objective to raise the standard of housing amongst Indigenous peoples to that of the non-Indigenous population. We continue to put forth that recommendation.

With the input of its Indigenous Caucus, CHRA has developed a separate document outlining a policy framework that could characterize an urban and rural Indigenous framework. It should be a central goal of a distinct Indigenous Strategy to raise the housing standards of Indigenous people to that of non-Indigenous people in Canada.

4) Housing Research:

The Budget committed \$241 million over 11 years to improve data collection and strengthen housing research. Investment in housing research was one of CHRA's key recommendations in our NHS submission, therefore we very much welcome the research investment. In order to effectively pursue a meaningful research agenda, CHRA recommends the creation of a permanent Housing Research Hub. This Hub should employ a decentralized model that would be arm's length from CMHC, and would include representation from, among others, provinces and territories, municipalities, the research and academic community, Indigenous representatives, and social and affordable housing providers. Using a decentralized model, this arm's length body could collaborate with existing research-based organizations to identify and prioritize a housing research agenda, including identification of the kinds of data that could be collected under the Housing Statistics Framework.

5) Expansion of Homelessness Partnering Strategy:

The Budget announced \$2.1 billion in new funding for the Homelessness Partnering Strategy (HPS) over the next 11 years, and that HPS would be redesigned to better reduce and prevent homelessness. CHRA would like to reiterate the position we took in our consultation submission in October 2016 that HPS become much more community driven; with program design and delivery originating within the community, and not using a top-down approach. The Strategy must also recognize that homelessness impacts different demographic, cultural, gender, and socioeconomic groups in unique ways, and that there must be a great deal of flexibility built into the program so as to respond to the specific needs of those various groups. Seniors, women, those identifying as LGBTQ2S, youth, and Indigenous populations are examples of specific lens that should be applied in developing an appropriate Strategy that includes prevention, emergency response and supportive programs.

Furthermore, CHRA believes that the number of communities eligible for HPS funding should be increased beyond the existing 61 currently eligible communities. The additional funding should allow for an expanded number of community strategies to address homelessness.

6) A revamped Investment in Affordable Housing Initiative:

CHRA also welcomes the \$3.2 billion to be made available to the provinces and territories under a revamped Investment in Affordable Housing program. In developing a new funding relationship with the provinces and territories, CHRA would recommend that the federal government include the following principles within a revised AHF program:

- **Transparency:** Provinces and territories should be required to publicly report on funding allocations for housing providers in their jurisdictions. This would ensure that funds under this program are being used for their intended purposes.
- **Incrementality:** Funds from this program should be incremental to existing provincial and territorial allocations for social housing and therefore, over and above existing provincial and territorial baseline funding programs for social housing.
- **Timeliness of transfers:** Once funds are transferred to the provinces and territories, the federal government must ensure that provinces and territories agree to a timely transfer of funds to housing providers.
- **Funding parameters:** Although the AHF is intended to provide provinces and territories with the flexibility to respond to housing related priorities within their own jurisdictions, CHRA believes that bilateral funding agreements should contain some parameters and commitments on the part of provinces and territories to guarantee that funds will be used for social and affordable housing purposes. Funding categories could be identified, such as capital repair or renovation, expansion, or continuation of rent subsidies.

7) Legislated Right to Housing and Long-term Investments:

CHRA supports designing the National Housing Strategy within a human rights framework. It is imperative that the right to housing be enshrined in legislation. A legislatively protected right to housing recognizes the fundamental and legal right to be free from homelessness and to have access to adequate housing. Enshrining such a right legislatively would protect existing housing related programs from future governments who may wish to decrease or eliminate support, and would provide governments with the rationale to continually develop new approaches to housing Canadians. An additional strategy for the federal government to consider would be to transfer National Housing Strategy funds upfront to an arm's length body, so that future governments would be unable to scale back or cut back on promised funding.



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