

Transcript: CHRA Podcast Series 2016 – Season 1: Episode 1

Jeff Morrison: Welcome to the Canadian Housing and Renewal Association's (CHRA) podcast series **Building Opportunities**. I am Jeff Morrison, Executive Director at CHRA. This recently launched podcast series will offer interviews with innovators from across Canada's affordable housing sector who are working on new projects, partnerships and policies in support of affordable, social and supportive housing development.

Series 1: Episode 1 of the Building Opportunities podcast will feature an interview with President and CEO of Canada Mortgage and Housing Corporation Evan Siddall.

Before joining CMHC in January 2014, Mr. Siddall served as Special Advisor to the Governor of the Bank of Canada and the Bank's Senior Representative to Toronto, where he led projects designed to promote continuous financial markets and the future stability of the Canadian financial system.

Over the course of his career, Mr. Siddall has held a variety of positions in both investment banking and general management, including at BMO Nesbitt Burns, Goldman Sachs & Co. and Lazard Frères & Co.

Welcome Evan, and thank you for joining us.

Evan Siddall: Thank you for having me with you today.

Jeff Morrison: Today's podcast takes a unique approach in that we have solicited questions from our members. We received a large number of questions, so we've refined and consolidated those questions today.

Let's start with the biggest development from CHRA's perspective, and that is the National Housing Strategy consultation. Since the summer CMHC has actively engaged with Canadians and stakeholders on the consultation. Evan, can you tell us more about the consultation process to date, and can you describe for us next steps and key timelines associated with the consultation moving forward?

Evan Siddall: As you know CMHC was asked by Minister Duclos to lead these consultations through the summer and we've of course done that since the end of June that includes the launch of a website "Let's Talk Housing.ca" through which we've contacted over a million Canadians, received many thousands of responses to our survey, uploaded many submissions, including I would note CHRA's submission I gather this morning, for which I thank you very much. We have also held expert roundtables and a stakeholder events as well as some consultations with Indigenous people and focus groups with people we think are a little underrepresented in the conversation, so we have in fact reached out to them. The consultation process itself ends in fact quite soon, on October 21st, so ten days to go, and at the end of November on National Housing Day, the 22nd, Minister Duclos will public a 'What We Heard' document. And that will share with Canadians a summary of what we heard throughout the consultations, which have been extensive, but naturally abbreviated unfortunately because of the time frame. Then after that, the question for government will be what policy changes and what strategy we'll obtain, and that work has started as you can imagine, and will conclude with a cabinet conversation sometime late this year, early next year, and the government will make some kind of announcement, and it's up to them as to when they do it.

Jeff Morrison: Once the Strategy is unveiled, do you think that social and non-profit housing providers can expect a renewed relationship with CMHC?

Evan Siddall: Yes, of course, CMHC will evolve, and our relationships are also evolving like that, as this is a key question for the National Housing Strategy consultations: what is CMHC's future role? So, I expect that our role will evolve, as I said.

Jeff Morrison: I'd now like to focus in on one of the key issue our members have continued to refer to, particularly in relation to the consultation, and that is the issue of the end of operating agreements being faced by many non-profit housing providers, of course, as you well know. What has been the feedback that you have heard, and that CMHC has heard, from social housing providers experiencing the expiry of operating agreements through the consultation process to date?

Evan Siddall: Great question Jeff, and of course central to your membership. We've heard of course some gratitude of the government's announcement after the budget that Rent Geared to Income supplements would continue for the two year period that was contemplated by the budget, so as you know we have set aside some money, about \$30 million in continuing subsidies for CMHC administered social housing. And then the question of course is what for the future. What we're hearing from folks is I guess three things. We're hearing importantly that the operating agreements are unnecessarily restrictive, and so they need to change. And that's constructive, and so we need to find a new relationship between the government as represented by CMHC and social housing providers, or non-profit housing providers. And I think there is also an expectation that the funding level will continue, as opposed to social housing agreements or operating agreements needing to be renewed as such, the relationship between the government and those providers needs to continue, albeit in a different way.

Jeff Morrison: So Evan, you just mentioned you are hearing the agreements are restrictive and need to change. Do you think that could mean CMHC would be prepared to remove barriers in operating agreements that we've heard from some of our members and various housing providers that often times there are barriers that prevent them from being able to pursue alternative financing options, divest of properties in order to invest in new properties and so forth. Can you foresee operating agreements changing in that regard?

Evan Siddall: Yes, I certainly can. The specifics I am not sure of, that's a decision for government. And I suppose there are two aspects to this Jeff that are important for people to know. First of all we are restricted by government decision in how we can operate. Those restrictions can change with any new government or new rules of the game. And secondly there is the matter of how we interpret those restrictions, and I hope your members know that CMHC has adjusted how it interprets those things where it can, and I hope that signals, in fact it is indented to signal a client sensitivity in respect to the people we support. And of course as a result of that, we were able to persuade the government of the logic of assisting with pre-payment, and the \$150 million pre-payment program that was re-adopted by the current government, announced by the prior government, and that's underway as you know. Our first call for applications was in August, and there will be another call next February 17th.

Jeff Morrison: Great, and we look forward to communicating more information about that pre-payment program to our members. Just a final question regarding end of operating agreements. Will you foresee funding being made available to providers to maintain Rent Geared to Income housing units once operating agreements expire? As you know Rent Geared to Income units are important to the hundreds of thousands of tenants who live in social housing, that wouldn't be able to afford any other option.

Evan Siddall: Yes, so we are getting into the particulars of the program, and it would be irresponsible of me to represent a future decision of government that I don't know. I will say that Minister Duclos signaled

importantly the need to preserve those units through the additional \$30 million in funding to support that for the interim two-year period, and I am sure that he will maintain a focus on making sure that people aren't displaced as a result. How that manifests Jeff I am not quite sure, but I suspect the objective that your members have by the current government.

Jeff Morrison: Great well thank you. Just want to switch focus now to talk about the measures that were introduced in the 2016 budget, and you've referred to a number of those, that's of course the \$2.3 billion over two years for various housing and homelessness initiatives announced in that budget. Can you talk more about those measures and how will CMHC prioritize and invest in the building of new affordable and supportive housing for Canada's most vulnerable populations through this investment?

Evan Siddall: Sure, as you know, so I'll break that down. There's \$2.3 billion, the first chunk which doubled the existing funding under the Investment in Affordable Housing (IAH), that was about half-a-billion dollars and that is delivered through provinces and territories with the idea that regional variability in programs, and we actually see that in how the money is spent. That results in a substantial amount of new construction in response directly to your question. There is an additional roughly \$100 million over two years for northern and Inuit regions, a further \$80 million for Inuit regions and that is now being delivered through Indigenous and Northern Affairs Canada (INAC) directly to self-governing Inuit bodies in the north. There was \$200 million for seniors, \$90 million for victims of family violence and then \$574 million importantly for social housing providers to improve water and energy efficiency results, which really funds renovations and retrofits. Those were the priorities. The new construction in particular comes through IAH, the northern funding, Inuit funding, seniors funding and the shelters for victims of family violence. So we expect a substantial boost, economic boost, for the economy, just in terms of jobs and activity, and then a boost for the sector in new spaces, just over the two years. And in the second phase of the social infrastructure fund, which we're working on right now, and which will reflect a manifestation of the National Housing Strategy, I'm sure we'll see substantially more over a period of several years in terms of new construction, as well as dealing with deferred maintenance in the sector.

Jeff Morrison: And I suppose it's premature to ask, although I will press my luck here, and ask if there has been any funding allocations that have been notionally allocated yet for the next phase of housing under the strategy?

Evan Siddall: What we saw in the last budget; so the short answer is not really. But the long answer is, you would have seen in budget 2016 the \$20 billion for social infrastructure funding over an eight year period. And that would be allocated amongst a series of priorities, housing being one. Indigenous peoples in general, and the nation-to-nation relationship that the government has announced, and then thirdly early learning and child care, as well there is a green component to that and heritage funding etcetera. So that divides among several priorities, including funding on reserve in general for Indigenous people, housing, early learning and childcare, green priorities, heritage priorities and I think I was saying that \$20 billion, you know we could spend that in housing and have economically productive outcomes, and socially productive outcomes. So there is a conversation going on right now about how much of that envelope would apply to housing versus other priorities, and I just don't have a specific answer for you yet. That will be of course for the government to deliver.

Jeff Morrison: Another question on the budget. Could you give our listeners an update on the Affordable Rental Housing Financing Initiative? What are the criteria used to assess the projects, and what does the 2016/2017 schedule look like?

Evan Siddall: We have not yet received final approval from the government for this program. We hope to launch it soon, by mid- to late November. But I believe the criteria for the Financing Initiative will be similar to those that we announced for the Innovation Fund. For example, we expect that the projects built will have to contain a minimum number of new affordable rental units that will need to remain affordable for a certain number of years. I expect that some criteria will be added, such as accessibility, innovative model viability, etc. So, we will see following the Cabinet's decision in the next few months.

Jeff Morrison: To switch topic focus, you mentioned earlier Indigenous housing as a part of the consultation. As you know, CHRA has an active Urban Aboriginal Caucus whose mandate is to work to better housing conditions for urban and rural Indigenous peoples across the country. I am wondering if you can talk a bit about CMHC's support to help improve housing conditions for urban and rural Indigenous peoples, both now under the current tools you have, and what your vision is as part of the housing strategy for the rural and urban Indigenous population.

Evan Siddall: Thank you. I'll start with now and end with the future. The now is for Indigenous people living off reserve the position of the government in the past and our authorities in the past has been to deliver that support through the Investment in Affordable Housing, so its effectively been devolved to provinces. And some provinces prioritize Indigenous housing and some less so. And it depends on the needs in the given province. We also at CMHC administer a program called Section 95 housing. Which is kind of a loan to own program. And it's about \$125 million a year, and we've built about 7,000 new homes a year on reserve, and our folks are very proud that we've increased that from 400 to 500 homes a year, to 700, again, to being client focused and making a difference. In the future I imagine that that can change. Section 95 is a dated program, there's I think on the part of some communities confusion as to whether INAC or CMHC is the authority on housing on reserve, and so we've got to address that in a way that's more responsive to our client needs, and that's on reserve. We're engaged in substantial consultations with all Indigenous groups, we're leading consultations with off reserve First Nations, Métis and Inuit peoples and then by-lateral meetings have been happening through the summer and fall jointly with CMHC, INAC, and our colleagues in Employment, Skills Development Canada. Finally, INAC itself is leading engagement with First Nations to identify both at the infrastructure level and the housing level what needs to happen on reserve. So it's rather complex as you can imagine with many communities, a series of consultations, and we are specifically addressing our attention to on and off reserve housing needs. With a view to what we can do differently, so you can expect some changes there.

Jeff Morrison: Great and Evan I know it's a bit early but one of the recommendations that CHRA has put forth under the housing strategy consultation is actually the creation of a distinct and unique strategy for Canada's Indigenous peoples and again, maybe premature, but would you envision a distinct strategy focusing on the needs of Indigenous populations?

Evan Siddall: Kind of. In the sense that you mean, yes. I am not sure the government would announce it as such, as a strategy, but certainly there is a focused effort as you can imagine, led by the Prime Minister's declaration that he aspires to a nation-to-nation relationship between the federal government and Indigenous people. And I think therefore it behooves us to give the government advice on how to do that with respect to housing, but of course across the full spectrum of needs for Indigenous people both on and off reserve. Whether it would be styled, the reason I paused, whether it would be styled as a strategy or something else, I don't know. But particular attention on that absolutely Jeff, I think we share that objective.

Jeff Morrison: Great. Thank you. One of the questions we got from our members, and as you can imagine, our members are very environmentally friendly, very sustainable in their thinking in terms of housing delivery, so one of the questions we got was whether CMHC will continue to promote 'Sustainable Community Design' principles and land use planning in your programs and in your policies that will ultimately reduce costs and environmental impacts, with regard to social and non-profit housing. Will that remain a priority for CMHC?

Evan Siddall: Yes it will, and you know it was measuring improvements to water and energy efficiency that is driving that renovation and retrofit program of \$574 million this year and next. That's a way of reducing operating costs for the sector certainly. We're also thinking about this from a people centered approach Jeff, so we think of sustainability on three dimensions. Certainly this question of environmental sustainability is a responsibility of government, economists call it an externality, and it's too easy for private sector actors to ignore. But externalities like that is the responsibility of governments to address and we will continue to attend to that. Secondly, economic sustainability, we want to have a healthy non-profit and social housing sector, and one that allows the finite resources of government to be directed to new construction as opposed to helping with groups that are having a hard time getting along and so it's on us, and I mean CMHC and government, to help support capacity building in the sector to make sure that occurs. And then thirdly, social sustainability, and I think this is the thrust of your question, the idea of sustainable community design. Inclusive societies, ones where we don't have ghettoization of communities, where people have social mobility in terms of jobs, in terms of economic prospects, in terms of inclusiveness, I like you and many people watched this terrible display of democracy in the U.S. debate the other night and you know, Canada feels like an island of social inclusion in a world that's lost its way a little bit, and I think that is a priority we will reflect in what we are doing in the future, I know it is.

Jeff Morrison: I think many of our listeners would agree with you on that. We only have a few minutes left, and Evan I wanted to get a little personal and, this was a question posed to us by a member and we thought it was an interesting question. In your time at CMHC, you have had the opportunity to meet with many Canadians in communities across the country in many different settings. I am wondering if you can share with us one or two moments of the key moments that have had the greatest impact on you in terms of your view of the main challenges that Canadians are facing with respect to accessing safe, affordable housing?

Evan Siddall: I have two stories I will share with you that relate to Indigenous housing, and both on reserve and I know this will resonate with your membership, and I don't mean to confine my attention to that, it's just that I've said conditions on reserve can be abysmal, and some people said 'really, you said that publically', like it's even controversial. So when I first joined [CMHC] that when I'm travelling I would like to visit reserves and First Nations communities, not having had the opportunity to do that. And of course people naturally want to gravitate towards success stories, and I saw some very successful communities and that's heartening. But I said, you know, I am not getting a really good representation of what this is like and what the problem is, and I started to mix my experience. So our Board actually met in British Columbia earlier this year, and this is the second part of the story, and we visited three communities, and I won't name them because I am going to make a discriminatory comment, and I don't mean ethnically discriminatory, I mean capacity discriminatory, among the three, one extremely healthy, one getting by, and a third that's really having a hard time. So I met with Chief in Council, in fact our Board met with Chief in Council, at the one that was in the middle, sort of getting by. There was one of the Members of Council who leaned across, he was in a Section 95 CMHC home, and he leaned across the table, and he's this big burly guy, you know and you'd think he'd intimidate his kids I imagine, his adolescent children, and he was almost tearing up telling me how important it was for him to have a place to call home and what it meant for his family, and what it meant for him having people in his home for dinner, and for his children studying

and you know, I recognize these things intellectually, but to see the impact we'd had on that family's life, it stayed with me, it stays with me even now, but it stayed with me vividly for a week or two. You know, that's why we do what we do at CMHC, that why folks do what they do in their membership at CHRA. And I just want to confirm that we are doing good work and it matters to people.

Jeff Morrison: And you know I think often times we need to remind ourselves about those individual stories and put those individual faces to the work we do, because often times we tend to get lost in some of the big picture issues but we need to remind ourselves of those one on one stories and impacts that we all have are extremely important.

Evan Siddall: Indeed, right. They are the fuel. They keep us going.

Jeff Morrison: Absolutely. So we've talked about a number of issues that our members have addressed with us about the national housing strategy consultation. Are there any final thoughts or key messages they you wanted to pass on to social and affordable housing providers across the country?

Evan Siddall: Thank you Jeff, thanks for the invitation. It will be under the category of innovation, and this is not me directing this at CHRA, it would be how I would answer this question with anybody. The current government, and in particular Minister Duclos is very interested in innovative solutions. So that sounds nice, but let me explain to you why it's important. I've said in the past that the problem in heightened expectations, and you can imagine in these consultations, people of course put their wish list on the table and we expect that, and that's proper. We also need help thinking of how to maximize the return on the federal governments constrained fiscal resources. You asked me how much money is involved. It will be a substantial amount of money. It will not be enough. To help bridge the gap between enough, to really address the total needs of Canadians in Canada, and the amount of money that can be devoted to it, we really need help. Our aspiration is that we will ensure that all Canadians have access to housing that meets their needs, and that they can afford. That's a grand aspiration. Here at CMHC, even with constrained funding, we're determined to try and get there. It will take some time, but that's the objective of the National Housing Strategy, to help us uphold this commitment, and enable us to improve the lives of those in greatest need. And that's really where were focusing our efforts, on aligning different level of government and other actors, including private sector non-profits and housing experts, and we're hoping that innovation, from our ability to convene these conversations, and bring people together, and maybe programmatically, will help us, I hate the term leverage, but it's a good one, leverage what won't be enough money into what hopefully can satisfy the need or get us to it. So innovative ideas are crucial. We've got on our website an Ideopolis platform where people can submit innovative ideas. Make them as crazy as you want them to be, and vote and that will enable us to crowd source good solutions, because for goodness sakes we don't have all the answers.

Jeff Morrison: Right. And I think having listened to our membership over the summer, preparing for our consultation we've heard many innovative ideas at the grassroots level such as seniors co-housing, home sharing etcetera, and macro level policies – and I will make my pitch Evan to say that I hope you have a chance to review CHRA's submission and it's been the product of many conversations with our members and stakeholders across the country, and many of them have taken the call for looking for innovative solutions to heart, and that has formed much of the basis for our consultation response.

Evan Siddall: I will read it. You have taken the time to prepare it. Our relationship with CHRA is one of, I don't know if you know this, but we have a group of top tier, first tier stakeholders, CHRA is of course one. And we take this relationship very seriously. The other thing I would say, and you asked me this question in

French, let us know how we can get out of the way. Part of allowing innovation is to make sure that government policies as manifest by government and through CMHC aren't the barrier. We talk about this internally, about spurring innovation from our employees, the key there are managers getting out of the way. And so by analogy we're receptive to suggestions on that front, and on how CMHC's role can evolve to be more supportive of the sector.

Jeff Morrison: We very much appreciate those kind words and of course as a key partner for us CMHC and our relationship with you and with the organization is fundamental and we look forward to building on that.

Unfortunately, that is all the time we have for today. Thank you, Evan Siddall, for your time today.

Thank you very much to Evan Siddall, President and CEO of Canada Mortgage and Housing Corporation for joining CHRA for the podcast series **Building Opportunities**. And Evan, we very much look forward to continuing to work with you and your colleagues as we flesh out this housing strategy and make it work for all Canadians.

Evan Siddall: I thank you as well, and good day to all.

Jeff Morrison: Thank you, and for our listeners, please visit us at www.chra-achru.ca for more information on CHRA's membership, advocacy, program and policy materials – along with upcoming webinars and podcasts.

Evan Siddall: This has been fun. Thank you. Have a great day.

Jeff Morrison: Thank you Evan.