



August 2, 2018

Hon. Jean-Yves Duclos, PC, MP
Minister of Families, Children and Social Development
140 Promenade du Portage
Phase IV, 14th Floor
Gatineau, Quebec K1A 0J2

Dear Minister Duclos,

As you know, the National Housing Strategy announced a new Federal Community Housing Initiative that will provide \$500 million to federally administered community housing providers to extend their operating agreements until 2027. The NHS announced that this program would be unveiled in two phases, with the Phase 2 component to be informed by public consultations. In July 2018, CHRA participated in a preliminary consultation session on Phase 2 of the Federal Community Housing Initiative organized by CMHC. In advance of this meeting, CMHC shared a discussion paper looking at options for the Phase 2 component, which were discussed at length during the consultation session. The purpose of this letter is to share with you our reaction to the initial ideas discussed during that session, and additional thoughts as you contemplate the subsequent approach to Phase 2 of the FCHI.

As you are aware, CHRA has been advocating for the continuation of Operating Agreement subsidies for many years. Phase 1 of the Federal Community Housing Initiative has been a welcome extension of federal subsidies for housing providers, albeit temporary. As described in the National Housing Strategy, Phase 1 gives housing providers coming off operating agreements time to prepare for modernization and transition to a new Phase 2 rental support program beginning in 2020. In order to continue supporting housing providers and by extension the people that they serve, CHRA has a number of considerations for the development of Phase 2:

- 1) One of the suggestions contained in the CMHC discussion paper was that providers would need to apply for Phase 2 subsidies based on preset criteria. CHRA believes that community housing providers should not be required to apply for Phase 2, but rather community housing providers currently receiving Phase 1 subsidies should be grandfathered-in if their Operating Agreement is set to expire in the designated timeframe. If Phase 2 is a tool that is to be used in conjunction with other programs of the National Housing Strategy, there needs to be a seamless way for providers to have

access to the financial assistance required for their properties to remain viable. The uncertainty caused by an application process – and the potential for not receiving ongoing subsidies beyond 2020 – places the long-term viability of many housing providers and properties at risk.

- 2) One of the proposals contained in the CMHC discussion paper is that reporting requirements for Phase 2 recipients would be extensive, including annual reporting requirements for such indicators as financial and asset management, depth and duration of affordability, and governance adherence. CHRA believes that reporting requirements need to be simple and flexible, and that overly onerous reporting requirements are unnecessary and administratively burdensome. Housing providers have limited time and resources and therefore reporting requirements need to be as simple as possible.
- 3) As we have stated previously, CHRA recommends that housing providers whose Operating Agreements expired prior to April 2016 be considered eligible for both Phase 1 and Phase 2 of the Federal Community Housing Initiative. We would ask that in your negotiations with the provinces and territories, you extend this policy proposal to the Canada Community Housing Initiative as well.
- 4) Although CHRA appreciates the 10-year duration of the Federal Community Housing Initiative, with Phase 2 currently slated to end in 2027, a federal guarantee that federal subsidies will continue beyond 2027 needs to be implemented. There are fears that the Canadian and Federal Community Housing Initiatives are a means to devolve the federal government of all responsibility for federal support to community housing beyond 2027, and beyond the final Operating Agreement expiries in the 2030s. A lack of long-term federal support for community housing providers will hinder any long term planning for housing providers, and put the housing situations of some of the most vulnerable in limbo.

We would be pleased to meet with you at your convenience to discuss the development of Phase 2 in more detail. Thank you for taking the time to review this letter, and we look forward to continuing to work with you to strengthen the community housing sector in Canada.

Sincerely,



Jeff Morrison
Executive Director