



Hon. Ahmed Hussen, P.C, M.P.
Minister of Families, Children, and Social Development
Via Email: Ahmed.Hussen@parl.gc.ca

February 25, 2021

Dear Minister,

As you know, on January 15, 2021, the Prime Minister sent you an amended Mandate Letter that contained the following directive: *“You will add to the National Housing Strategy announced in 2017 by increasing investments to rapid housing in the short term”*. Given this revised Letter, we can reasonably assume that the federal government will be launching a second round of the Rapid Housing Initiative (RHI) that you first announced in September 2020. Clearly this would be good news, and something that CHRA and other partners have requested, especially given the significant interest in the first round of the program.

Over the past several weeks, CHRA has had conversations with our members and other stakeholders who applied through the first round of the RHI, including an online consultation session held with over 155 members on February 8. Although there was a strong consensus that the RHI is welcome and that CMHC staff were very helpful in assisting housing providers in completing applications, there were also a number of recommendations suggested that could improve the program as part of a potential second round – measures that could enhance access to the program and simplify the application process. I have taken the liberty of summarizing a number of those key recommendations below:

Longer time frames: There was a clear consensus that the application timeframes in Round 1 of the RHI were too short. The short application timeframes meant that many housing providers did not have sufficient time to put together proposals, complete the application process, nor assemble the necessary partnerships with contractors, modular builders, landowners, and/or other orders of government. The short timeframe also prevented meaningful public engagement or consultation, increasing the risk of public opposition, or NIMBYism, to projects. A longer application timeframe to assemble materials, perform due diligence, implement partnerships, and engage with the public is necessary.

Although we understand that one of the RHI’s goals was to have housing in place as quickly as possible to as a pandemic measure, the short timeframes to have housing completed also served as a barrier. Several respondents suggested that even modular housing would be difficult to put in place in the one year time frame allowed under RHI. As part of a second round, we would recommend longer timeframes be allowed for providers to actually have housing units completed.

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Municipal zoning issues: Many CHRA members identified challenges associated with municipal rezoning requirements for RHI funded projects. Given the short application and implementation timeframes, many providers did not have time to go through the rezoning process, either prior to submitting RHI applications, or potentially even after a project has been awarded. A longer application and implementation timeframe could help; we also believe that CMHC could enter into discussions with municipalities encouraging them to prioritize the rezoning of projects approved under the RHI.

Extending eligibility to acquire existing residential properties: Although the RHI permits acquisition of existing non residential buildings, it does not permit the acquisition of existing residential properties, despite the fact that such properties would be better suited for conversion to new affordable housing, and at a lower per unit cost when compared to new construction. We would recommend that the list of eligible expenses in Phase 2 be extended to include acquisition of existing residential properties.

Operating supports/subsidies are required: Another point on which there was consensus was the lack of operational supports as part of RHI. Although CHRA applauds the government for providing contributions to increase supply, RHI contains no funding for operational nor service supports. Many community housing providers will not be able to maintain and operate new RHI-built housing without some form of operational subsidy, and in the case of housing for vulnerable populations, providers will need additional social supports to ensure these populations can remain housed. Although we are aware of some provinces, such as Quebec, who have provided operational supports to RHI projects, not all provinces have followed suit. As a result, as part of a second round, we are asking that the federal government either unilaterally provide operational supports, or enter into agreements with provinces and territories to ensure that RHI funded projects receive operational and social supports from the provinces and territories.

Establishing an earmark for urban, rural and northern Indigenous housing: In my letter to you dated October 29, 2020, I called for the RHI to have an earmark specifically for urban, rural and northern Indigenous housing providers due to the deeper core housing need facing URN Indigenous peoples. In fact, the Parliamentary Budget Officer report released on February 11 looking at urban, rural and northern Indigenous housing underscored this very need. In response, you established a target for Indigenous housing to be funded out of RHI, but not an earmark. We would once again recommend a distinct earmark within a RHI Phase 2 so that the disparities facing URN Indigenous peoples can be addressed. An earmark would also address the higher costs and challenges to build housing in Canada's north.

Greater flexibility in application criteria: Although we understand that any public program will have eligibility criteria, the diversity of the community housing sector should necessitate a certain degree of flexibility in the RHI eligibility and evaluation criteria. There are a number of examples of eligibility criteria in the first round that we would recommend be made more flexible as part of a second round, including:

- Community housing providers were required to have some form of government subsidy as proof that they were affordable housing providers, which discriminates against those non profits providers who do not receive government subsidy. We would recommend adjusting the criteria to broaden the demonstration of being a non profit.

- The program specifies specific vulnerable populations (women and children, Indigenous, LGBTQ2S+). Although we agree with the inclusion of vulnerable populations for assessment purposes, there are many other populations deemed equally vulnerable not contained in this list. We'd recommend greater flexibility in identifying the list of vulnerable populations served by applicants.
- Rather than require applicants to secure land in advance, which is currently the case, introduce greater flexibility in this regard, such as requiring an Offer to Purchase or Purchase agreement conditional on RHI funding as an alternative.
- Although modular construction is a viable construction form, there are other construction forms that could be implemented quickly and cost effectively. Although we support modular construction, we would recommend that CMHC not prescribe any specific construction form, and allow providers the flexibility to determine their own construction process.

Note that this list is not exhaustive; we would be happy to have further conversations on other areas in which greater flexibility would be welcome.

Simplifying the application technology: Oftentimes the ability of housing providers to access a federal program is dependent on the ease with which they can navigate the application technology. In the case of the RHI application portal, several problems were identified. For instance, it was suggested that the portal can only be completed via Google Chrome. Applicants could only see one page at a time online, rather than being able to navigate through the entire application form. The online pages weren't numbered, making navigation difficult. In short, as part of a Phase 2 process, we would recommend that the online application portal and system be made more user friendly so that the navigation through the entire system is simplified and more accessible.

Creating a level playing field: As you know, the RHI had two separate streams; one for 15 municipalities facing significant core housing need, the other an application-based stream for community housing providers. Questions have been raised regarding the need for 2 distinct streams. CHRA believes that there would be greater equity and accountability if the 2 stream approach were replaced by one application-based intake process. Municipalities and municipal housing organizations would of course be eligible to apply, and we hope they would continue to be active partners in promoting the program and supporting successful applicants, (for instance, as discussed above under the issue of municipal zoning), but there would be a more level playing field if all housing providers had to meet common eligibility and application criteria.

Grandfathering applications received in Round 1 to Round 2: We know that many applications received by CMHC in Round 1 will not be successful given the overwhelming response. We would recommend that CMHC grandfather unsuccessful applications received in Round 1 to Round 2, so that applicants do not have to replicate the application procedure. Applicants would need to confirm their intent to be grandfathered to a second round; but otherwise their applications would not need to be revised or resubmitted.

You'll note that many of these recommendations are meant to refocus the RHI to be less prescriptive and more focused on the intended outcomes of the program, which is a theme we would like to reinforce. Housing providers have the experience and expertise to implement and operate affordable housing in a cost effective manner; with a revamped RHI that focuses more on outcomes and that provides greater flexibility and opportunity for housing providers to meet those outcomes, the RHI will become a stronger tool to meet the objective of creating greater housing capacity throughout Canada.

Thank you for taking the time to review these remarks. As always, we would be happy to meet with you to discuss these or any other issues related to the next iteration of the RHI.

Yours truly,

A handwritten signature in black ink, appearing to read 'J. Morrison', with a stylized flourish extending to the right.

Jeff Morrison, Executive Director
Canadian Housing and Renewal Association

Cc: Mr. Evan Siddall, CEO, Canada Mortgage and Housing Corporation
Mr. Sean Casey, MP, Chair of House of Commons Standing Committee on Human Resources, Skills, and Social Development and the Status of Persons with Disabilities
Stephan Corriveau, Executive Director, Community Housing Transformation Centre