



SUMMARY OF HOUSING-RELATED MEASURES CONTAINED IN BUDGET 2021

April 2021

Today, April 21, 2021, Deputy Prime Minister and Minister of Finance Chrystia Freeland unveiled the 2021 Federal Budget, signalling a strong commitment to Canada's affordable housing sector. Among the housing-related measures contained in the Budget include the following:

- **Recapitalization and Expansion of the Rapid Housing Initiative (RHI).** An additional \$1.5 billion will be added to RHI to address the urgent housing needs of vulnerable Canadians by quickly providing them with adequate affordable housing. This new funding is expected to add a minimum of 4,500 new affordable units to Canada's housing supply, building on the 4,700 units already funded through the first \$1 billion RHI investment announced in the 2020 Fall Economic Statement.
- **Expansion and Renewal of the Affordable Housing Innovation Fund (AHIF).** \$600 million will be allocated over seven years to renew and expand AHIF. This new funding is expected to support the creation of up to 12,700 more units for persons with accessibility challenges.
- **Additional Investment through the Canada Housing Benefit (CHB).** \$315.4 million over seven years will be directed through CHB to increase direct financial assistance for low-income women and children fleeing violence to help with their rent payments.
- **Additional Investment through the Federal Community Housing Initiative (FHCI).** \$118.2 million over seven years will be directed through FHCI to support community housing providers that deliver long-term housing.
- **Reallocate and advance \$1.3 billion in funding through the National Housing Co-Investment Fund (NHCF) between 2021 and 2023 in three areas:**
 - \$750 million to accelerate the creation of 3,400 new units, and the repair of 13,700 units;
 - \$250 million to support the construction, repair, and operating costs of an estimated 560 units of transitional housing and shelter spaces for women and children fleeing violence.
 - \$300 million to support the conversion of vacant commercial property into housing. This funding will target the conversion of excess commercial property space into 800 units of market-based rental housing.



- **Investment in Housing in the North.** The Government will provide \$25 million in funding to each of the Governments of Nunavut and The Northwest Territories to create or renew public housing units.
- **Additional Investment in Reaching Home.** An additional \$567 million over two years will be invested in *Reaching Home*. This would maintain the 2021-22 funding levels announced in the 2020 Fall Economic Statement in response to the pressures of COVID-19.
- **Creation of a Pilot Program to Address Veterans' Homelessness.** Budget 2021 provides \$45 million over two years for a pilot program aimed at reducing veteran homelessness through the provision of rent supplements, and wrap-around services for homeless veterans such as counselling, addiction treatment, and help finding a job.
- **Vacancy Tax on the Unproductive Use of Canadian Housing by Foreign Non-Resident Owners.** Budget 2021 announces the government's intention to implement a national, annual 1-per-cent tax on the value of non-resident, non-Canadian owned residential real estate that is considered to be vacant or underused, effective January 1, 2022. This measure will ease supply constraints on market housing. This will allow Canadians who can afford a home to move along the housing continuum, opening up affordable housing units that are currently unavailable.
- **Creation of a \$4.4 billion home and residential build retrofit program.** Budget 2021 proposes to provide \$4.4 billion in interest-free loans over five years, starting in 2021-22 to help homeowners and landlords undertake deep retrofits to make costly retrofits that have the biggest impact in reducing their environmental footprint and energy bills. This program includes a dedicated stream of funding for not-for-profit and cooperative-owned housing.
- **Additional Investment in the Indigenous Community Support Fund.** An additional 760.8 million will be directed through the Fund to support First Nations, Inuit, Métis Nation communities, and urban and off-reserve Indigenous organizations serving Indigenous peoples.