



February 11, 2022

The Honourable Ahmed Hussen, P.C, M.P.
Minister of Housing and Diversity and Inclusion
140 Promenade du Portage
Phase IV, 14th Floor
Gatineau, Quebec K1A 0J2

Dear Minister,

The Canadian Housing and Renewal Association (CHRA) was very pleased to hear the commitment made during the 2021 federal election by the Liberal Party of Canada to develop a \$4 billion “Housing Accelerator Fund” that would “offer support to municipalities for a wide range of eligible municipal investments, and reward cities and communities that build more homes, faster”. We were also pleased to see that this commitment was repeated in your mandate letter from the Prime Minister.

In anticipation of the announcement of this Fund, I am reaching out on behalf of the members of CHRA to provide recommendations on the structure and purposes of the upcoming Housing Accelerator Fund to assist you and your officials in the development of this new initiative.

As you know, CHRA’s members collectively house, shelter, and support hundreds of thousands of people in Canada. We are deeply familiar with the ever-increasing difficulty many in Canada face when attempting to find a place to call home. It is a problem most keenly felt by the most vulnerable members of our society. Although this Fund will not address all the problems and concerns facing the community and non-profit housing sector, it is certainly a step in the right direction.

On January 24, 2022, CHRA convened a consultation with a diverse group of our members to discuss how to maximize the potential of the Housing Accelerator Fund. Based on this feedback, CHRA is putting forth the following recommendations regarding the structure, purposes, and eligibility for the Fund.

Eligible Activities

One of the critical considerations for this new Fund is identifying the sorts of activities and investments that it will address. Although not exhaustive, CHRA is recommending that the following activities be eligible for funding under the new program:

- **Increasing human resource capacity within municipal approval processes.** One of the most often cited reasons for slow processes is a lack of human resource capacity within municipal planning departments, which includes both a lack of adequate training and a lack of staff. This problem is more acute in smaller municipalities, although municipalities of all sizes have identified this as a concern. The Fund should allow hiring of additional planning and approval staff and cover the costs of proper training.
- **Activities designed to address NIMBYism.** As you know, NIMBYism is a leading cause for delays in affordable housing development, or in many cases, preventing affordable housing development from being able to proceed. Although most municipalities require some form of

public consultation with respect to new housing developments – consultations that often provide the forum for NIMBYism – there are tools and information services that municipalities have developed to address what is often misinformation that feeds NIMBYism. CHRA is recommending that any such tools or services that are meant to provide clear information and reduce the negative impacts of NIMBYism be considered as eligible expenses under the Accelerator Fund.

- **Developing inventories and plans to service usable lands.** Community housing providers have indicated that one of the biggest barriers to developing new affordable housing is a lack of suitable land. CHRA would recommend that municipalities be able to access funds to develop inventories and plans to use available lands for affordable housing development.
- **Initiatives to align municipal programs with other orders of government.** One of the most often cited obstacles to new affordable housing development are the different programs and policies between different orders of government that housing providers must access to bring an affordable housing project to fruition. It is common for a single housing project to require federal, provincial/territorial, and municipal program supports. Having to apply and manage different programs from different orders of government, each with their own timelines, eligibility, reporting requirements, etc., is time-consuming and requires considerable resources. CHRA recommends that one of the eligible activities under the new Accelerator Fund be to support initiatives designed to align municipal housing programs and services with other orders of government. Examples of such alignment do exist in Canada, but are not yet widely in place. Creating “one stop shop” application processes would be a big step towards accelerating affordable housing development.
- **Solutions to accelerate approvals, rezoning, and related activities.** Municipalities are best placed to know the tools and technologies they require to accelerate affordable housing development. CHRA recommends that the federal government provide flexibility in allowing for a range of technological and related efficiency improvements to be considered eligible under the Fund, so long as they can demonstrate gains with regard to approval timeframes and built-in approval efficiencies.

Funding Structure

CHRA recommends a two-stream approach for municipalities to apply through the Fund:

- a) **A capacity building stream.** The purpose of this stream would be to offer funding for specific projects that increase municipalities’ capacity to address barriers to creating housing supply at the local level. These would include the activities listed above, and should also support the needs of Urban Indigenous populations. This stream would provide grants through an application process like other National Housing Strategy capital funding programs.
- b) **A per-unit subsidy stream.** This stream would be broader in focus, providing incentive for municipalities to take measures that combine to increase housing stock. Municipalities would need to exceed a minimum threshold of year-over-year growth in housing stock to be eligible for funding dispensation. The municipality would become eligible for a subsidy per unit created once they have exceeded this threshold.

Prioritization of Non-Profit and Affordable Housing

We are aware that this Fund is currently intended to encourage the development of both market and non-market housing. Although we realize the importance of developing market-based housing, we are also cognizant that non-market housing tends to suffer disproportionately from municipal bottlenecks,

such as longer approval processes, inefficiencies in bringing together project partners, and securing land. In addition, non-market housing provides housing to more vulnerable, lower income populations – people that your government has pledged to prioritize via the National Housing Strategy and through the right to housing legislation adopted by Parliament in 2019.

In evaluating municipal applications, CHRA strongly recommends that a greater emphasis is provided to projects that prioritize non-profit housing as compared to market housing to ensure that the most vulnerable members of our society are supported through this program. Additional consideration should be provided for projects that accommodate the needs of urban Indigenous populations. This is not only consistent with your government's stated goals of the National Housing Strategy, but is consistent with a human rights-based approach to housing.

Stackability

One of the positive features of many of the existing National Housing Strategy programs is that they are stackable; housing providers can access more than one federal program for a given project. CHRA recommends that the Accelerator Fund be treated as stackable as well. In particular, when municipal housing authorities are applying for such federal programs as the National Co-investment Fund, they should also be allowed to apply for the Accelerator Fund where it can be demonstrated that Accelerator Fund resources would expedite development when coupled with other federal supports.

Conclusion

The Housing Accelerator Fund is a welcome addition to the National Housing Strategy's suite of programs. However, it should be noted that this Fund is no replacement for increased capital funding. Ensuring that there is sufficient supply of community housing in the form of new construction and protection of the existing stock of community housing remain top priorities. However, we are hopeful that this new Accelerator Fund will support additional supply-related measures with the objective of providing greater access to safe, affordable housing for all people in Canada.

I am looking forward to our ongoing collaboration to ensure all people in Canada have a place to call home. I am available at any time at (613) 594-3007, x11 or jmorrison@chra-achru.ca if you would like to discuss these matters further.

Yours truly,



Jeff Morrison
Executive Director

CC: Romy Bowers, President and CEO, Canada Mortgage and Housing Corporation
Soraya Martinez Ferrada, M.P., Parliamentary Secretary to the Minister of Housing and Diversity and Inclusion (Housing)