



Hon. Ahmed Hussen, P.C, M.P.
Minister of Housing and Diversity and Inclusion
Via Email: Ahmed.Hussen@parl.gc.ca

June 3, 2022

Dear Minister,

The Canadian Housing and Renewal Association (CHRA) would like to thank you for the announcement in the 2022 federal Budget of an additional \$1.5 billion to be allocated to a third round of the Rapid Housing Initiative (RHI). You may recall that CHRA had strongly advocated for such a program in the early days of the pandemic, and so we were very pleased when Rounds 1 and 2 were launched, and equally pleased with the announcement of Round 3. This announcement will be a welcome addition to the first two phases of RHI which created over 10,000 units of affordable housing.

You may recall that in February 2021, CHRA wrote you with recommendations on how Round 2 of the program could be improved given the experiences of community housing providers in Round 1. Given that CMHC is currently in the process of developing a new program framework and criteria for Round 3, CHRA would like to assist in its development by reiterating the following considerations, many of which were included in our February 2021 letter:

- **Longer application timeframes:** As stated in February 2021, one of the key drawbacks to RHI-Round 1 was the very short timeframes provided for housing providers to prepare and submit applications. Although we appreciate that the federal government wants to get housing implemented as quickly as possible, we would suggest that the timeframes for submitting applications for Round 3 be extended so that applicants have sufficient time to adequately prepare and submit quality proposals. We understand that the short application timeframes also led to cost overruns on Round 1 projects; a longer timeframe would help keep costs in check.
- **Operational supports:** Although housing providers appreciate that the intent of RHI is to fund capital costs associated with housing development, the fact is that without ongoing operational support, below market housing can not remain below market – eventually rents will need to reflect market rates. In Rounds 1 and 2 of RHI, several provincial and territorial governments stepped in to provide necessary operational funding for RHI funded projects. We would recommend that in designing Round 3, the federal government seek agreement with provinces and territories to ensure that operational supports are included in all RHI funded projects so that project viability and affordability can be maintained. This should be a seamless process that does not detract from the relatively straightforward and simple application process inherent in Round 1 of RHI.

- **Supportive and culturally appropriate housing:** In addition to operational supports, community housing is unique in that it provides relevant social, health, and cultural supports to tenants. A barrier to Rounds 1 and 2 of RHI were the absence of any funds for these sorts of supports. It is one reason why urban Indigenous housing providers were disadvantaged in the first 2 rounds of RHI; provision of culturally appropriate supports is a key characteristic of urban and rural Indigenous housing. Like operational supports, we would recommend that CMHC work with partners to ensure that housing providers have access to necessary health, social, cultural, and other supports.
- **Extending acquisition criteria to include residential properties:** In the original iteration of RHI, acquisition of non residential buildings was an allowable expenditure, but not residential properties. In the absence of a dedicated acquisition program for residential properties (which we believe should be a distinct program), we would recommend that the eligibility criteria for RHI Round 3 be extended to include residential properties. Not only could this increase the stock of affordable housing, but would create a more level playing field for non profit providers trying to compete for acquisition of available properties from REITs and other large capital funds.

Thank you for taking the time to review these remarks. Once again, we congratulate you on the announcement of Round 3. 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 'Jeff Morrison', with a stylized flourish extending to the right.

Jeff Morrison, Executive Director
Canadian Housing and Renewal Association

Cc: Ms. Romy Bowers, CEO, Canada Mortgage and Housing Corporation