



**Submission to the House of Commons
Standing Committee on Human Resources,
Skills and Social Development and the Status
of Persons with Disabilities (HUMA) on
Federal Housing Investments**



**Canadian Housing and
Renewal Association**
A Home for the Housing Sector

Introduction

The Canadian Housing and Renewal Association (CHRA) was established in 1968 as a national membership-based non-profit organization dedicated to supporting and strengthening the social and non-profit housing sector. Our mission is to lead and provoke system-wide action toward the right to housing for all by serving as the national voice of the community housing sector and by creating the conditions for community housing providers to achieve their goals.

Adequate housing provides a stable foundation from which people and communities can prosper; we advocate for improved housing policies and programs that keep housing affordable, expand housing capacity, and work to end homelessness. We support a sustainable housing profession and work to connect the broader sector, as well as our members, who collectively house and serve many hundreds of thousands of people living in or seeking affordable housing.

Background

The roots of Canada's current housing crisis begin in 1993 when the federal government made a significant shift in Canada's housing policy by ceasing to directly support and finance the development of non-market community housing. This decision downloaded the responsibility for providing affordable housing to the provinces and territories, who did not have the same fiscal capacity and could not maintain a sustainable level of investment. According to Steve Pomeroy's testimony to the Committee, had the federal government maintained the same level of investments they made between 1990 and 1994, there would be an additional 330,000 units of non-market community housing in Canada today.

The negative impacts of this divestment were compounded by a significant decrease in the construction of private purpose-built rentals as further legislative and policy changes at the federal and provincial levels reduced incentives for the development of new rental housing.

For a whole generation, we virtually stopped building new affordable rental housing, and current generations are now paying the price.

Starting around 2005, successive federal governments began to re-engage in affordable rental housing, largely in the form of cost-shared federal-provincial programs such as the Affordable Housing Initiative (AHI), later renamed Investing in Affordable Housing (IAH). While these investments had some strengths such as allowing for the acquisition and rehabilitation of existing rental housing, they still fell short of closing the historical gaps. The National Housing Strategy, announced in 2017, was the first major commitment the federal government made in re-engaging in affordable housing. A commitment that was further solidified by the recent announcement of Canada's Housing Plan.

The problem today, however, remains as pressing as ever. The re-entry of the federal government into housing is important but recent commitments have been insufficient to close the historical gap. Thirty years ago, community housing made up 6-7% of the overall housing supply; today, it accounts for approximately 3.5%.¹

¹ Deloitte Canada. Impact of Community Housing on Productivity. Canadian Housing and Renewal Association & Housing Partnership Canada. [LINK](#).

CHRA has produced evidence that increasing the supply of non-market community housing leads to real gains in per capita GDP. If we can sustain 7% of the housing supply as community housing, we will see a permanent improvement in productivity of 5.7%-9.3%,² or \$67-\$136 billion in improved economic efficiency, and a payback period in less than 2 years – improving the standard of living for everyone in Canada without adding to inflation.

It is not a coincidence that our productivity is dropping as our housing crisis is worsening, nor is it a coincidence that productivity is declining as the share of non-market community housing is also dropping.

This means that to restore affordability and end the current housing crisis we need to more than double the percentage share of the housing stock that is non-market community housing. To do this, CHRA estimates that 24% of all new units built today must be community housing.³ We need long-term and sustainable commitments that span across governments to ensure clear pathways for new development. To this end, CHRA is recommending that HUMA endorse the following recommendations:

1. Stable financing and funding for the development and preservation of affordable housing.

Our members know that stable and predictable funding and financing is crucial to develop non-market community housing; through the 1990s and early 2000s we saw clearly the negative impacts of instability in government investment. It takes years to create housing, from the point of inception to completion; uncertainty about whether the sources of financing and funding are going to be there directly undermines the viability of a project. Additionally, when funding and financing are consistent and predictable, housing providers can build their organizational capacity and expertise, leading to more innovative and efficient housing solutions and an institutionally stronger sector.

When it comes to the development of new affordable housing, programs such as the Affordable Housing Fund (AHF) are currently offering stable and predictable sources of funding for community housing organizations to build new stock. That is why it is important that these programs be maintained in the long-term to provide the reliability needed to build new housing stock, while the programs themselves should be reformed and improved over time to allow for better flexibility in changing economic conditions.

We must also protect the existing supply of affordable housing. The Canadian Housing Policy Roundtable (CHPR), calculated that from 2010-2020, an estimated 60,000 affordable units (with monthly rents below \$750, affordable to annual incomes under \$30,000) were lost every year in the private market, while the National Housing Strategy (NHS) aims to create an average of 16,000 affordable units annually. We are losing more affordable housing than we are creating.

To begin to tackle this problem we must move some of the private market affordable housing to the non-market community housing sector. The recently announced Rental Protection Fund (RFP)

² Ibid

³ Ibid

will do just that by enabling community housing providers to purchase private market rentals and stabilize rents.

Finally, attention must be paid to the preservation of the existing community housing stock by making more funding available for capital repairs. A core component of maintaining affordable housing is ensuring that the buildings receive critical capital repairs such as the replacement of roofs, floors, heating and cooling systems, and other core building infrastructure. However, due to rising construction costs, there is often a gap between available funding and what is required for community housing providers to make these repairs. That is why we ask that the federal government also make available a greater amount of steady funding for capital repairs.

2. Secure and predictable pre-development funding.

Stable pre-development funding allows organizations to bring projects to the point of being shovel ready. This can include preliminary building designs, obtaining approvals, and testing the feasibility of the project. It is a crucial part of the process and is sorely underfunded.

Currently, pre-development funding is available to community housing providers through the CMHC Seed Funding program that offers a mixture of grants and interest-free loans. However, this program is oversubscribed and underfunded, and as a result is only intermittently available – meaning that many potentially viable projects cannot get off the ground because they simply don't align with the windows of time that seed funding is available. If the federal government were to stabilize this funding it would significantly improve the development process and allow for more otherwise viable community housing projects to come to fruition.

Throughout the development and construction process itself however, the picture is a little more optimistic. Programs such as the Affordable Housing Fund (AHF) and MLI Select are offering stable and predictable sources of funding and financing for community housing organizations to build new stock. The funding for these programs should be maintained in the long-term to provide the reliability needed to build new housing stock and the programs themselves should be marginally reformed to allow for better flexibility in changing economic conditions.

There should also be attention paid to the important work of preserving existing affordable housing. The Canadian Housing Policy Roundtable (CHPR), calculated that from 2010-2020, an estimated 60,000 affordable units (with monthly rents below \$750, affordable to annual incomes under \$30,000) were lost every year, while the National Housing Strategy (NHS) aims to create an average of 16,000 affordable units annually. To properly preserve the stock of affordable housing we need investment in two separate but equally important areas. First, programs such as the recently announced Rental Protection Fund (RFP) that allow community housing providers to purchase private market rentals will mean that a greater share of affordable rentals stay that way. Second, there must be consistent funding made available for capital repairs. If we are to preserve the stock of affordable community housing, our members must have access to programs that enable them to replace roofs, elevators, and other core building infrastructure.

3. Growing and strengthening the non-market community housing sector.

An important and often overlooked element of success for housing affordability is the need to build expertise and institutional strength in the community housing sector. Investment in the community housing sector is needed to build the foundations for expansion and scalability; to ensure equitable Canada-wide access to training and professional-development programs; and to improve and adapt programs to better serve communities in ways that help them achieve their housing growth targets. For a modest investment, the government can scale up the infrastructure that supports the community housing sector – fostering skills training, enabling workforce development initiatives, and creating employment opportunities within the community housing workforce. This includes existing sector-led programs and organizations, like the Chartered Institute of Housing Canada, the Housing Professionals Mentorship Program and the Community Housing Transformation Centre.

4. Support the collection of data on new housing construction resulting from federal investments.

Accurate data is the cornerstone of effective policymaking. It is essential to track the outcomes of federal investments in new housing construction to assess their impact and identify areas for improvement. However, as is made immediately evident by the fact that this committee needs to clarify the impact of previous investments, we do not have adequate mechanisms to measure this. If the federal government is going to maintain a long-term commitment to building affordable housing, it will require reliable data collection mechanisms to monitor the progress and success of federally funded housing projects.

CHRA fully endorses the recommendations made to the committee by Steve Pomeroy and the Canadian Housing Evidence Collaborative around collecting and publishing data for projects receiving federal funding. First, reinstitute the practice in the starts and completions survey, of recording when any new housing is being funded under a social-affordable program, or specific initiative under the NHS (or any unilateral provincial program).⁴

CHRA stands ready to collaborate with the Government of Canada and other stakeholders to implement these recommendations and achieve our shared housing goals. Together, we can build a future where everyone has access to safe, affordable, and adequate housing.

⁴ Steve Pomeroy. Report to HUMA Committee on Federal Housing Investments. Canadian Housing Evidence Collaborative. [LINK](#)