



**Submission to the House of Commons Standing
Committee on Finance for Pre-Budget Consultations
in Advance of the 2025/2026 Budget**



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

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August 1, 2024

Recommendation 1: Close the gap on Indigenous housing by investing \$3 billion per year into the Urban, Rural and Northern Indigenous Housing Strategy.

Recommendation 2: Reform and extend the Affordable Housing Fund to 2035.

Recommendation 3: Provide stabilized pre-development funding to build more non-profit community housing.

Recommendation 4: Accelerate the Rental Protection Fund.

Recommendation 5: Work with provincial and territorial governments to provide more directed investments to build supportive housing.

Recommendation 6: Invest in the growth of the community housing sector.

Recommendation 7: Protect low-income households by extending federal rental assistance programs.

Recommendation 8: Prioritize community housing for development on public lands.



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About CHRA

The Canadian Housing and Renewal Association (CHRA) is the national voice of the community housing sector in Canada. 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. CHRA's voice prominently features the CHRA Indigenous Caucus, an organized, independent body representing Indigenous housing providers across Canada. Collectively, our members house, shelter, and support hundreds of thousands of people across Canada, drawing on enormous, practical on-the-ground experience creating and delivering affordable housing in communities across Canada.

Introduction

Canada is struggling through a worsening housing crisis. According to research done by the Housing Assessment Resource Tools (HART) project, over 1.5 million households in 2021 were in core housing need, meaning these households live in inadequate or unaffordable housing.¹ Since 2021, housing costs have risen dramatically, increasing the number of people facing these same challenges.

Despite growing need, Canada's supply of community housing only represents less than 4% of Canada's total housing stock: less than half the OECD and G7 averages.² That is why many economists and housing providers are now collectively calling for doubling of the share of non-market community housing in Canada.³

These investments will also provide additional benefits for our economy. A study published by Deloitte last year shows that investments in community housing have positive impacts to our national productivity. They found that doubling the share of community housing units in Canada would result in a 5.7-9.3% increase to productivity and would boost GDP between \$67 to \$136 billion annually.⁴

By investing directly in growing the community housing sector in Canada we can provide people with safe, affordable, and appropriate places to live. Doing so would support a national right to housing and would allow people to invest in themselves and their communities. To that end, CHRA is making the following recommendations for the 2025/2026 federal budget.

Recommendation 1: Close the gap on Indigenous housing by investing \$3 billion per year into the Urban, Rural and Northern Indigenous Housing Strategy.

Canada's *United Nations Declaration on the Rights of Indigenous Peoples Act* requires the Government to implement UNDRIP in co-operation with Indigenous peoples; CHRA strongly believes this necessitates a *for-Indigenous, by Indigenous* approach to housing. Only an

1 Housing Assessment Resource Tools. Housing Needs Assessment Tool. [LINK](#).

2 Deloitte Canada. Impact of Community Housing on Productivity. 2023. [LINK](#).

3 Scotiabank Global Economics. Canadian Housing Affordability Hurts. 2023. [LINK](#).

4 Deloitte Canada. Impact of Community Housing on Productivity. 2023. [LINK](#).

Indigenous-led approach can adequately deliver holistic, serviced-based community housing that empowers Indigenous peoples and communities.

An important component of providing safe, affordable, and culturally appropriate housing for Indigenous people is providing housing to those who live in urban, rural, and northern (URN) environments. According to the Parliamentary Budget Office there are approximately 677,000 Indigenous households living in URN areas, of which approximately 18% or 124,000, are in housing need.⁵ This represents a dramatic overrepresentation of Indigenous people and is an unacceptable injustice that remains a significant barrier to true reconciliation.

To date, the government has made a series of first step investments into an Urban, Rural and Northern Indigenous Housing Strategy (URN Indigenous Housing Strategy). Budget 2022 committed \$300 million to co-develop and launch the URN Indigenous Housing Strategy, of which \$281.5 million is being delivered through the National Indigenous Collaborative Housing Inc. (NICHI). Budget 2023 then saw an additional commitment of \$4 billion over seven years, which while welcome, still falls short of the need and has yet to be operationalized.

According to the National Housing Council, to address the gap in housing for Indigenous people living in URN areas the federal government must make an investment of \$3 billion per year.⁶ Therefore, to close this gap the federal government must first recognize NICHI as its long-term delivery partner for the \$4 billion URN Indigenous housing commitment in the 2023 federal budget, and then provide additional funding and financing for the URN Indigenous Housing Strategy that matches the true need of the problem.

Recommendation 2: Reform and extend the Affordable Housing Fund to 2035.

The Affordable Housing Fund (AHF) is the flagship program for building new community housing in Canada. However, the program is due to sunset in 2028. To double the share of community housing in Canada the federal government must commit to adequately funding and reforming this program.

Housing development projects operate on multi-year timelines. To ensure a healthy pipeline of projects the federal government must provide certainty to community housing providers and developers that the funding and financing will be available beyond 2028. This would mean stabilizing funding by providing at least \$2 billion per year that is indexed to inflation.

Finally, the federal government must look into reforms for the program that could improve its overall efficacy. This can include removing barriers that make it difficult for non-profit and private development partnership projects to access both the Affordable Housing Fund and the Apartment Construction Loan Program. Additionally, CMHC must adopt a single income-based measure of affordability across all programs.

⁵ Parliamentary Budget Office. Urban, Rural and Northern Indigenous Housing. 2021. [LINK](#).

⁶ National Housing Council. Report and Recommendations to the Minister of Housing and Diversity and Inclusion on Urban, Rural, and Northern Indigenous Housing. 2022. [LINK](#).

Recommendation 3: Provide stabilized pre-development funding to build more non-profit community housing.

To reach the target of doubling the share of community housing we need to ensure that there is a strong development pipeline of new projects that are shovel-ready.

Pre-development funding to support activities such as site surveys, design, and project viability studies is available through CMHC's Seed Funding. However, this program is oversubscribed and inconsistently available, cutting off many otherwise promising projects from the funding they would need to progress.

CHRA believes that to stabilize this program the federal government should provide annual funding contributions through a trusted third-party contribution provider, such as the Community Housing Transformation Center (CHTC), which is already administering some provincial pre-development funding programs. Doing this would reduce application review timelines while offering a stable source of funding for exploration of more projects at a limited annual cost.

Recommendation 4: Accelerate the Rental Protection Fund.

Preserving existing affordable rental units by placing them in the hands of community housing providers is an efficient and impactful way to tackle the housing crisis. Supporting non-profits and co-ops to buy existing rental properties stabilizes rents and provides security of tenure for tenants. To that end the Canada Rental Protection Fund, announced in Budget 2024, is a promising new vehicle, however the slow rollout of funding over five years could directly compromise its success.

CHRA, the Co-operative Housing Federation of Canada (CHF), and the National Indigenous Housing Collaborative Inc. (NICHl) have proposed a model based on the BC Rental Protection Fund that creates an incorporated national non-profit organization to provide a cost-effective, speedy, flexible, and scalable mechanism to protect rental properties. This model also leverages capital from foundations and private institutional investors to amplify government funding and therefore impact.

For this model to succeed however, the federal government must accelerate their funding timelines for the Canada Rental Protection Fund. Without an up-front investment, it will be difficult to provide the security required to attract investment from private capital. Therefore, the federal government must move forward the \$1.5 billion commitment into fiscal year 2025-2026.

Recommendation 5: Work with provincial and territorial governments to provide more directed investments to build supportive housing.

Supportive housing combines affordable community housing with supportive services that enable people to live independently in their communities; it is vital to addressing the greatest housing needs. Investments such as the \$1 billion over three years starting in 2025-2026 for the Rapid Housing Stream of the Affordable Housing Fund announced in Budget 2024 will provide much needed funding for supportive housing, but fall short of the commitments made through previous rounds of the Rapid Housing Initiative in October 2020, and Budgets 2021 and 2022, which amounted to \$4 billion over four years, and is projected to build more than 15,500 units.

The federal government must make a long-term commitment to build supportive housing by making an annual commitment of at least \$1 billion of new money specifically targeting supportive housing that would be in addition to the above recommended amount for the Affordable Housing Fund. The federal government must also work to secure agreements with provincial and territorial governments for operating funding for the health and social supports attached to these supportive housing units. This will provide housing options and wrap-around services for those who need it most.

Recommendation 6: Invest in the growth of the community housing sector.

To double the share of non-market community housing will require a strong and robust sector of community housing providers. By building on the existing Community Housing Growth Fund (CHGF) model currently operating in Nova Scotia, Nunavut, and Newfoundland and Labrador, the federal government can partner with provincial and territorial governments to provide the resources required to help the community housing sector prepare for scaling up.

The CHGF model in these provinces is administered through the Community Housing Transformation Centre (CHTC). CHTC then provides funding directly to community-based organizations through a collaborative, co-development process. This framework effectively uses CHTC infrastructure of while allowing for engagement with partners who have the specific technical or cultural knowledge. CHRA believes that this model can be expanded across the country in collaboration with other organizations such as the Black Communities Housing Technical Resource Centre (BCHTRC) and NICHU to deliver funding to under-represented groups.

Recommendation 7: Protect low-income households by extending federal rental assistance programs.

Rental assistance programs are a core way through which governments provide affordable housing to thousands of households. Community housing providers pair these programs with below-market rents to ensure affordability in housing. The cornerstone federal rental assistance program is the Federal Community Housing Initiative (FCHI), and federal-provincial agreements under the National Housing Strategy fund additional rental assistance programs.

As with many other NHS initiatives, however, these rental assistance programs are set to end in 2028, putting these families at risk of homelessness. That is why it is critical that the federal government extend the existing rental assistance programs and agreements through to 2035. The predictability of extending program funding will eliminate the risk of homelessness for these households.

Recommendation 8: Prioritize community housing for development on public lands.

Budget 2024 included a Public Lands for Homes Plan that will see the federal government lead a national effort to provide access to federal, provincial, and municipal lands across the country for affordable housing. This initiative should remove one of the most significant barriers to developing new community housing as access to affordable land continues to be an issue across the country.

Access to this land must prioritize non-market community housing and Indigenous housing in particular. Public lands are a public resource and must be used for the public good. Doing so will provide truly affordable housing and open a wider variety of housing options for people across Canada.