
March 21, 2018

The Honourable Jean-Yves Duclos
Minister of Families, Children and Social Development
Government of Canada
House of Commons
Ottawa, Ontario
K1A 0A6

Re: Feedback on the National Housing Strategy (NHS)

Dear Minister Duclos,

We would like to take this opportunity to formally congratulate the Government of Canada on the development and release of the NHS – a critical strategy which will support the housing sector, and ultimately Canadians, across this country. We are pleased to provide our response to the NHS which is summarized below. A more in-depth position document with expanded feedback is attached.

Who We Are – A Unique Approach: Calgary's **Community Housing Affordability Collective (CHAC)** is the collective engine for improving housing affordability in Calgary through cross-sector collaboration and community-based advocacy. Uniquely, we are a network of nearly 50 organizations working together to make housing more affordable for Calgarians, guided by a Steering Committee and a high-level Action Plan. For more information visit www.chacollective.com.

Every Canadian deserves a safe and affordable home: The NHS contains many exciting opportunities for the housing sector. We applaud the Government of Canada's commitment to enshrining housing as a right for Canadians. 'Every Canadian deserves a safe and affordable home' is best accomplished through a variety of **housing options for Canadians across the housing continuum**. From permanent supported rental housing to affordable home ownership options – investment in a spectrum of housing will ensure all Canadians find an appropriate place to call home and, as a result, have better access to employment opportunities, education and other services that help them thrive and lead healthy and successful lives.

Federal Capital: We appreciate the inclusion of new federal capital for the housing sector. Housing organizations in Calgary have an **active pipeline of over 2000 new units planned and ready to get in the ground**. This new capital is critical to the delivery of these units as **Calgary's percentage of non-market housing stock has been nearly 50% below the national average for some time**.

Canada Housing Benefit: This will support thousands of Canadian households in choosing safe, appropriate places to live, and we look forward to engaging in the deployment of this additional benefit for vulnerable individuals and families. **It is vital this is truly an additional benefit** rather than an initiative that replaces existing programs or redirects current funding.

Long-Term Sustainability: CHAC members celebrate the continued commitment to federal funding through the Community Housing Initiatives. It is critical the funding model **supports the creation of a sustainable, self-sufficient sector** – one that can leverage federal funding without being reliant on it. It should be an immediate priority to also address the condition of the current social housing stock as it is ageing and at risk of failure.

Home Ownership as a Priority for Canadians: Canadians overwhelmingly place high importance on home ownership. It is critical for government to genuinely engage stakeholders in all sectors of housing, including market and non-market housing providers, early in discussion around changes to rules and policies impacting home ownership. Housing providers that exist to provide **home ownership solutions**

are in the most advantageous position to ensure any regulatory changes result in success and avoid **unintended consequences** presented by new strategies and policy changes.

We appreciate the opportunity to provide feedback and recommendations and once again thank the Government of Canada for its commitment to a National Housing Strategy. As the strategy states, 'Affordable housing is a cornerstone of sustainable, inclusive communities' and we believe with collaboration among government, housing providers and the broader community, we will create diverse and inclusive communities for the benefit of all Canadians.

Our expanded response is attached.

Sincerely,



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CC: All Calgary Members of Parliament

National Housing Strategy

Response Prepared by: Community Housing Affordability Collective (CHAC)

1. National Housing Co-Investment Fund & Federal Lands – Calgary has a pipeline of developments at the ready.

CHAC welcomes the allocation of new capital for the creation of new housing units as Calgary is behind the rest of Canada when it comes to our share of non-market housing. Just 3.6%¹ of Calgary's housing stock is non-market compared to a national average of 6% - Calgary requires 15,000² new units of housing to get to 6%. The investment of new capital for the creation of new housing units in Calgary is critical to just achieve 'average'. CHAC believes that the deployment of financial contributions to the community housing sector is an optimal way of ensuring government grants are spent on the most vulnerable. These organizations are the best stewards of capital intended for vulnerable populations and affordable housing and have proven track records to ensure this investment remains for the benefit of Canadians in perpetuity.

The Government of Canada's recognition that capital grants will help stimulate the development of new housing units is important and we recommend increasing the provision of these capital grants rather than repayable loans. The community housing sector can leverage capital grants together with community and philanthropic contributions, as in the case of the Calgary based RESOLVE capital campaign³ initiative, a first of its kind in Canada. Close to \$100 million in philanthropic and community contributions were raised to leverage provincial capital grants, stretching dollars to create even more units than if provided with just loans that would eventually have required repayment. Hundreds of additional housing units have been and are currently being delivered due to this innovative public, private and non-market sector collaboration.

Capital grants also allow the community housing sector to ensure rents remain below market as there is no repayment required. Income generated can support the operation of new units and fund the growth and development of more housing. As the NHS states, 'the community housing sector must be prioritized, protected and grown' and this can be accomplished through capital grants versus loans. At the same time the community housing sector is supported, it must be kept in mind that no harm is caused to the private sector which also plays an important role in the housing continuum.

The provision of financial contributions to the community housing sector will benefit from the expertise and knowledge of local organizations in the deployment process. Local groups understand housing need in a local context and can add value to the creation and delivery of a program. For example, The City of Calgary's Affordable Housing Strategy has established a structure for the distribution of government resources to the community housing sector, including the recent sale of municipal land to the community housing sector. This was done with resources from Canada Mortgage and Housing Corporation (CMHC), a partnership that helped scale up the rest of the community housing sector and support an expanded pipeline of non-market housing development. Utilizing existing frameworks in municipalities across Canada for the deployment of resources can provide a channel for the deployment of capital from the National Housing Co-Investment Fund and provision of Federal lands in a local context. It is important to

¹ Calgary's Affordable Housing Snapshot -

http://www.calgary.ca/_layouts/cocis/DirectDownload.aspx?target=http%3a%2f%2fwww.calgary.ca%2fCS%2fOLSH%2fDocuments%2fAffordable-housing%2fAffordable-Housing-Infographic.pdf&noredirect=1&sf=1

² Foundations for Home – City of Calgary Corporate Affordable Housing Strategy, Pg 6.

<http://www.calgary.ca/CS/OLSH/Documents/Affordable-housing/Corporate-Affordable-Housing-Strategy.pdf>

³ RESOLVE Campaign is an innovative Calgary based capital campaign that is raising \$120 million to provide housing to 3,000 homeless and vulnerable Calgarians. RESOLVE leveraged government grants into tens of millions of dollars contributed by community and philanthropic donors.

engage both the private and community housing sector when designing programs that will eventually deploy capital and land. We would like to see additional design level consultation opportunities and CHAC is well positioned to act as the collective vehicle for these discussions in the Calgary context.

Calgary has an expert community of housing providers and developers with a pipeline of affordable housing developments ready to get in the ground. Over 2000 units across the housing continuum are planned for development in Calgary over the next two years. With the release of federal lands and provision of financial support, the community housing sector in Calgary can action these developments quickly and cost effectively, adding needed capacity to non-market housing stock.

2. Canada Housing Benefit – Additional benefits for Canadians distributed in a timely manner.

Housing benefits that are tied to households or individuals rather than social housing units are a positive step toward improving resident mobility and supporting choice when selecting appropriate, affordable places to live. The Canada Housing Benefit will assist many Canadian households that need rental assistance to maintain their current housing. In Calgary, there are 42,000 households at risk of becoming homeless due to spending more than 50% of income on shelter costs and 21% of households insufficient income to afford an average rental apartment in the market⁴. The introduction of the new \$2,500 per year for each recipient household, in addition to current benefits in place, is a positive step toward ensuring some stability for these at-risk households.

It would be beneficial to engage local housing providers and municipalities to understand the nuances of the provincial involvement in distributing this benefit. For example, we would expect that this benefit is in addition to current provincial benefits and does not replace them nor is a redirection of funding from existing programs. It is vital that the Canada Housing Benefit is truly an additional benefit. It would also be beneficial to target these limited resources to households who are most in need, households where an extra benefit would have the most significant impact.

Additionally, in Calgary, the average revenue from a rent geared to income community sector housing unit is approximately \$380/month versus the \$900/month it costs to operate – leaving a gap of \$6,200/year or 2.5 times the new subsidy. We greatly appreciate this new benefit; however, the community housing sector requires a greater investment in addition to existing benefits.

Finally, while the design of the program must be well thought out, timely deployment is crucial to avoid negative impact to thousands of Canadian households in need today.

3. Canada Community Housing Initiative + Federal Community Housing Initiative – Re-modelling to create long-term sustainability in the sector.

Re-investment in expiring social housing operating agreements represents an opportunity to ensure continued protection of households in community housing nationally as well as to redesign the operating agreements to better support the community housing sector for long-term sustainability. In reevaluating the current model, the Government of Canada has the opportunity to look at different ways of supporting both households and housing operators. For some community housing providers, mixed model developments could assist in ensuring long term sustainability by increasing operating cash flow to better plan for future capital expenditures and upgrades.

^{4,3} Calgary's Affordable Housing Snapshot - http://www.calgary.ca/_layouts/cocis/DirectDownload.aspx?target=http%3a%2f%2fwww.calgary.ca%2fCS%2fOLSH%2fDocuments%2fAffordable-housing%2fAffordable-Housing-Infographic.pdf&noredirect=1&sf=1

While these new Housing Initiatives will allow non-market housing providers to cover current costs when providing housing to vulnerable Canadians, there needs to be a strategy to sustainably manage future costs and portfolio development if the community housing sector is to be protected and grown.

The re-investment of \$500 million to stabilize the operations of federal administered housing providers is a welcome investment, however, continued subsidies for residents will only delay the shortfalls for community housing providers as costs increase. Simply put, when new housing agreements expire, there will still be a gap. With the extension that is being provided by these new operating agreements, it would be advantageous to use this time to help build the strength and sustainability of the community housing sector and determine a long-term plan for maintaining rent subsidies. Again, consultation with local groups like CHAC, that have a broad base of experience and knowledge, will be beneficial to inform program development and implementation.

4. Improving Home Ownership Options for Canadians – Be mindful of the broader cost of new policy.

While the primary focus of the strategy is to help vulnerable populations, CHAC is pleased to see the inclusion of strategies intended to improve home ownership options for Canadians; it is important to implement policies that support the full range of options on the housing continuum. Investigating borrowing options for those who are challenged to qualify for mortgages, such as self-employed Canadians, is a step in the right direction to ensuring there are affordable home ownership options for Canada's diverse population.

With only 25% of Calgary households having sufficient income to buy a home, we encourage the Government of Canada to continue to examine ways to help individuals close to home ownership but may need a boost to get there. We support initiatives that don't add additional cost due to policy changes and encourage the federal government to engage both private and public sector and other impacted stakeholders prior to implementation to avoid unintended consequences of new strategies and policy changes. In addition, it is important to keep in mind national policy change intended to resolve issues in large markets, such as Toronto and Vancouver, may have unintended and potentially detrimental consequences for other markets across Canada.

5. New Public Engagement Campaign – Investment in local knowledge and context.

The stigma of non-market housing can be a barrier to development in communities. No one knows this better than those working in the local context. We welcome the investment in new public engagement campaigns that address stereotypes and educate all Canadians on the true benefits of safe, secure, affordable housing. We recommend local organizations be directly involved in leading the efforts in public engagement to ensure the focus remain relevant in a local context. Finally, resources should be deployed locally to successfully develop socially inclusive, vibrant neighbourhoods and to reduce stigma and discrimination against vulnerable populations.
