



MEMBER OF PARLIAMENT



PETER GOLDRING

Canada's foundational constitutional documents, the British North America Act of 1867 and the Constitution Act of 1982 (including the Charter of Rights and Freedoms) are silent on the question of whether providing adequate housing for all Canadians is a federal or provincial responsibility.

In recent years the convention has been that responsibility is acknowledged and shared, with the federal government providing the necessary funding and the provinces determining how that money is to be allocated. This division of authority has led to unequal standards from province to province when housing policy is applied and lack of a consistent and coherent national housing policy.

This lack of an overarching national policy on housing, specifically social, non-profit, or otherwise affordable rental housing, has caused many Canadians to have difficulty in accessing adequate shelter. Having failed to

provide this basic necessity to many Canadians who simply cannot afford it, it becomes apparent that a national affordable rental housing policy must be crafted by which social, not-for-profit, or other affordable housing providers can successfully and consistently receive funding.

The Canada Mortgage and Housing Corporation (CMHC) was created by the federal government in 1946 and quickly became Canada's premier provider of housing policy and programs. The CMHC housing mandate is specifically geared towards helping Canadians "access affordable housing and ensuring housing markets function efficiently to help Canadians access a range of housing options". This is a federal, not a provincial mandate, although the CMHC can work with the provinces if it so chooses.

In 1973 amendments to the *National Housing Act* created a major new affordable housing initiative, which represents the high



The Mayfair Village project to be built at the intersection of Jasper Avenue and 109 Street would create 237 units of affordable singles and couples housing.



-water mark in terms of federal engagement in the past six decades in comprehensive affordable housing policy. At that time, Parliament acknowledged adequate affordable housing as a fundamental societal right and recognized the obligation of the government to assist in realizing that right. Taxation incentives introduced at that time to stimulate the creation of affordable rental housing were criticized as being too successful, as too many units were constructed and the rental market was over-saturated.

The next decade saw the gradual erosion and withdrawal of federal housing funding and policies. Funding was cut for new social, non-profit, or otherwise affordable rental housing in the mid-1980s. The federal government cancelled virtually all funding for new affordable rental housing in 1993. It then announced plans to download most of its housing programs to the provinces and territories in 1996.

In addition, the lack of incentives to build new affordable rental housing stock was exacerbated by ever increasing municipal taxation and discriminatory municipal zoning policies and construction barriers. The application of these policies effectively impeded the development and construction of new affordable rental housing units to a negligible num-

ber over a 30-year period that saw increased population growth. As a direct result owners of older properties are able to artificially maintain high rents as virtually no new rental stock has come into the marketplace to compete.

In 1986 30,000 new low-income rental housing units were built across Canada. This number fell to 7,000 in 1999.

With no coherent federal framework that can be used as the foundation for a policy on affordable rental housing in Canada, there will continue to be inconsistencies and deficiencies in funding for affordable rental housing initiatives across the country.



The beautiful new Wild Rose Circle Project Senior Project will provide 96 units of quality affordable rental housing for needy seniors.

One suggestion to help fill this need would be to coordinate a Capital Gains Transfer Policy from the sale of older rental

stock so all capital would flow into new affordable rental housing projects under the federal-provincial funding plans presently under way.

A major criticism of current affordable rental housing spending is that the money is dispensed by all levels of government through a maze of affordable housing initiatives federally, provincially, and municipally without a clear strategy. This inconsistency in the



devolution of funding leads to some projects receiving wasteful multiple levels of grants while others receive little or no funding at all.

To correct this wasteful practice and streamline affordable rental housing funding a new policy should be initiated for larger municipalities under the auspices of CMHC. This policy would apply to those social, not-for-profit, or other affordable housing corporations in cities that have 25,000 or more affordable rental housing units. Currently, the large-scale affordable rental housing corporations are much more in need of funding to maintain their current properties, let alone construct new units. Based on the successfully proven framework of this initial major housing provider category, further policies could be formed to meet the needs of smaller social, not-for-profit, affordable rental housing corporations.

A significant source of funding for affordable rental housing currently in Canada is through federal grants and subsidies. These cost-sharing transfers go from the federal government to the provinces and territories to help subsidize the maintenance and management of existing rental housing stock. The issue of inconsistent and ad hoc funding for various affordable rental housing projects has be-

come the major issue for these transfers.

Another major source of funding for affordable rental housing development in Canada is the Affordable Housing Initiative (AHI), which was created in 2001. The AHI is a jointly funded federal, provincial, and territorial program in which the federal government promised to contribute \$1 billion, and the provincial and territorial governments

agreed to match this amount. Although the AHI can be credited with stimulating several affordable housing projects, it faces a familiar criticism: while the investment commitment for all levels of government is significant, the funding is ad hoc and is filtered disproportionately away from larger scale affordable rental housing providers.

The problem that the large-scale affordable housing programs across Canada face is that they are not given anywhere near an equal share of funding based on unit number when compared to the many micro not-for-profit affordable rental community housing initiatives.

The reason behind this is that any federal funding that is currently appropriated goes directly to the province. At this time, the province disperses funds piecemeal, and this inconsistent distribution rarely results in



Peter is working with Jason Gorel of Toronto Community Housing (which manages 50,000+ units) to develop a new national standard regarding affordable city housing.

the most effective utilization. Additionally, federal, provincial, and municipal funding which is geared towards affordable housing initiatives is granted to municipal homeless organizations that duplicate and triplicate funding from the many other funding pockets available to special interest housing initiatives. The ability of not-for-profit affordable rental housing in Canada to deal with funding deficiencies has become a patchwork quilt of unequal opportunity.

One suggestion that could be used as a remedy for the funding problem is for the funding to be appropriated to very specifically described major affordable rental housing own-

ers/managers (25,000+ units) in its entirety directly from the federal government with the province to commit to matching this funding. This will make the federal funding transfers more efficient and effective for those with the greatest needs.

Under the new policy the major affordable rental providers would be given the exact amount they were allocated by the federal government.

Canada is in dire need of the creation of a national policy on affordable rental housing to deal justly with the many Canadians in need. I am anticipating that my colleagues

UPDATE: In December 2012, Peter held a preliminary meeting with Jason Gorel, Chief Financial Officer of the Toronto Community Housing Corporation (Canada's largest social housing provider) to better understand the challenges faced by large scale, not-for-profit, housing providers and to pledge his support to ensure their needs are met.

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This brochure series is intended to highlight special issues that Member of Parliament, Peter Goldring, has been involved in. If you wish to comment, please take a moment to fill out the survey below, write or call to the address above.

Your Opinion Matters...

Question #1 Do you believe it is important to have a coherent national housing strategy?

Yes

No

Question #2 Do you believe that the federal government should be giving greater aid to social, not-for-profit, housing providers?

Yes

No

Comments: _____

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