



HOUSE OF COMMONS
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CANADA

HOUSING ACCELERATOR FUND

**Report of the Standing Committee on Human Resources,
Skills and Social Development and the Status of Persons
with Disabilities**

Robert J. Morrissey, Chair

**OCTOBER 2022
44th PARLIAMENT, 1st SESSION**

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**Robert J. Morrissey
Chair**

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NOTICE TO READER

Reports from committees presented to the House of Commons

Presenting a report to the House is the way a committee makes public its findings and recommendations on a particular topic. Substantive reports on a subject-matter study usually contain a synopsis of the testimony heard, the recommendations made by the committee, as well as the reasons for those recommendations.

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**THE STANDING COMMITTEE ON
HUMAN RESOURCES, SKILLS AND SOCIAL
DEVELOPMENT AND THE STATUS OF PERSONS
WITH DISABILITIES**

has the honour to present its

FOURTH REPORT

Pursuant to its mandate under Standing Order 108(2), the committee has studied the Housing Accelerator Fund and has agreed to report the following:

TABLE OF CONTENTS

SUMMARY.....	1
LIST OF RECOMMENDATIONS.....	3
HOUSING ACCELERATOR FUND.....	7
Introduction.....	7
Chapter 1: Background Information.....	8
The Housing Accelerator Fund.....	8
The Federal Lands Initiative.....	9
The Federal Role in Housing.....	10
Chapter 2: Design of the Housing Accelerator Fund.....	11
Purpose.....	11
Distribution of Funding.....	12
Funding Recipients and Criteria.....	12
Funding Mechanisms.....	13
Funding Timelines.....	14
Other Considerations.....	15
Flexibility and Regional Diversity.....	16
The Need for Flexibility.....	16
Responsiveness to Distinct Regional Challenges.....	16
Stackability.....	18
Transparency and Accountability.....	19
Chapter 3: Housing Needs.....	20
Types of Housing.....	21
Affordability.....	22
Defining Affordability.....	22
Affordable Housing.....	23
Accessible Housing and Housing for Persons with Disabilities.....	26
Housing for Indigenous Peoples.....	27

Women’s Housing Needs	29
Chapter 4: Supporting Municipalities.....	30
Municipal Capacity, Processes and Planning.....	30
Development.....	32
General Considerations.....	32
The Role of Non-Profits.....	33
Zoning	34
Inclusionary Zoning.....	35
Fee Reductions	36
Property Acquisition	36
Other Considerations	37
Chapter 5: Federal Lands Initiative and Additional Solutions	38
Federal Lands Initiative	38
Additional Solutions	39
Conclusion and Recommendations	40
APPENDIX A LIST OF WITNESSES	45
APPENDIX B LIST OF BRIEFS.....	49
REQUEST FOR GOVERNMENT RESPONSE	51
SUPPLEMENTARY OPINION OF THE NEW DEMOCRATIC PARTY OF CANADA	53

SUMMARY

In recent years, housing – and in particular, access to adequate and affordable housing – has been top of mind for Canadians, from low-income households to those wishing to purchase their first property. One important component of this issue is supply that targets affordability. In 2021, the federal government announced a new Housing Accelerator Fund (HAF) to help municipalities accelerate the supply of additional housing units across the country.

Over the course of seven meetings, the House of Commons Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities (the committee) conducted a study on options for the design and implementation of the Housing Accelerator Fund, receiving testimony from senior federal officials, municipalities, industry associations, First Nations organizations, and non-profits, as well as numerous written briefs. The committee also received testimony related to the Federal Lands Initiative (FLI), through which surplus federal land is made available to eligible developers for the creation of affordable housing. This report outlines the committee’s findings.

Through oral and written testimony, witnesses made recommendations on the Fund’s design, the housing needs it should address, and different ways the fund can support municipalities to increase housing supply. The committee heard that HAF resources should be rapidly distributed to a range of community types, from large urban centres to rural, northern and Indigenous communities; be flexible and stackable with other housing supply programs; and prioritize increasing the supply of affordable housing in particular. The committee believes that a wide range of measures must be eligible under the Fund – from municipal capacity development, to zoning and other policy changes, to property acquisition – to enable housing supply that meets the needs of diverse communities across Canada. The committee also calls for the reform of the FLI to ensure that surplus federal lands can be more effectively and rapidly used for the development of affordable housing that reflects the needs of diverse Canadians, including Indigenous communities.

LIST OF RECOMMENDATIONS

As a result of their deliberations committees may make recommendations which they include in their reports for the consideration of the House of Commons or the Government. Recommendations related to this study are listed below.

Recommendation 1

That all regions of Canada be eligible for Housing Accelerator Fund resources—including rural and northern communities, Indigenous communities, mid-size municipalities, and large urban centres. 41

Recommendation 2

That the Government of Canada build on the lessons learned from the successful rapid delivery of funding through the Rapid Housing Initiative to ensure that funding through the Housing Accelerator Fund is delivered to municipalities as quickly as possible, including to allow for the completion of time-sensitive real estate transactions. 41

Recommendation 3

That the Housing Accelerator Fund be as flexible as possible in order to address the diverse barriers to speeding up the construction of housing in communities across the country..... 41

Recommendation 4

That in order to increase the depth of affordability, funding provided through the Housing Accelerator Fund be stackable with other National Housing Strategy programs—including the National Housing Co-Investment Fund, Rapid Housing Initiative, Rental Construction Financing Initiative, and the Federal Lands Initiative—as well as provincial, territorial, municipal, and Indigenous government funding programs. 41

Recommendation 5

That the Government of Canada coordinate with federal, provincial, territorial, municipal and Indigenous governments to achieve better alignment of policies and funding programs impacting the supply of affordable housing. 41

Recommendation 6

That the Canada Mortgage and Housing Corporation develop data collection mechanisms to track the impact of the Housing Accelerator Fund, including the number of net new units created as a result of municipal zoning and development policy reforms and capacity building funded through the program and the affordability of net new units created as a result of funding allocated through the program; that this data be released publicly; and further, that the Canada Mortgage and Housing Corporation be prepared to provide updates regarding this data to the committee as the Fund is rolled out..... 41

Recommendation 7

That the Housing Accelerator Fund be largely devoted to the acquisition, renovation, and construction of off-market affordable rental housing units..... 42

Recommendation 8

That, as part of the implementation of the Housing Accelerator Fund, the federal government adopt an updated definition of the concept of affordable housing based on household income; and further, that the Fund account for differing definitions of affordability in Indigenous communities..... 42

Recommendation 9

That the Government of Canada ensure that the Housing Accelerator Fund adheres to the criteria of Canada’s National Housing Strategy relating to affordability, accessibility, and energy consumption and emissions. 42

Recommendation 10

That the Housing Accelerator Fund seek to accelerate the creation of new units by providing resources to municipalities and Conservation Authorities to improve the development approvals process with investments that support a broad list of eligible improvements that include but are not limited to the hiring of additional staff dedicated to increasing housing supply, digital e-permitting, Lean Sigma methodologies, and other automated improvements..... 42

Recommendation 11

That the Government of Canada support municipal zoning and development policy reforms and capacity building funded through the Housing Accelerator Fund to help accelerate the construction of adequate safe and affordable housing for vulnerable populations, including women, racialized people, Indigenous people, and barrier-free housing for persons with disabilities. 42

Recommendation 12

That the Housing Accelerator Fund support municipalities with the goal of creating new affordable units below established price or rent targets. That the grant allow municipalities to incentivize new development by waiving or substantially lowering development fees, including, but not limited to, development charges, application fees, permits and levies, and supplementing current municipal programs (including brownfield development programs, zero-interest loans, renovate to rent programs and property acquisition programs) that incentivize the creation of new housing units. 43

Recommendation 13

That investments provided to municipalities to incentivize the creation of net new affordable housing units give weighted importance to funding that supports higher densities, long-term affordability, transit-oriented development, inclusionary zoning policies, climate-friendly and energy efficient units, and increasing the supply of affordable family-oriented units and deeply affordable units for women, gender-diverse people, Indigenous people, and persons with disabilities. 43

Recommendation 14

That the Housing Accelerator Fund support public and non-profit acquisition of vacant land and existing buildings, including rental housing stock, for the purpose of creating net-new affordable housing units. 43

Recommendation 15

That the Government of Canada reform the process through which vacant or unused federal properties are made available to the Canada Mortgage and Housing Corporation to be made available for the construction of affordable housing through the Federal Lands Initiative in order to ensure municipalities and affordable housing organizations are able to rapidly acquire vacant or unused federal lands and buildings in order to create affordable housing units..... 43

Recommendation 16

That the Canada Mortgage and Housing Corporation explore options to increase the transparency of the Federal Lands Initiative to ensure stakeholders are able to access detailed information on available lands. 43

Recommendation 17

That the Government of Canada consider additional measures through the National Housing Strategy that will level the playing field for municipalities and non-profits in purchasing existing rental buildings and vacant land in order to protect the long-term affordability of existing rental housing stock and ensure that vacant urban land is used for the development of affordable housing where it is needed and not speculation. 44



HOUSING ACCELERATOR FUND

INTRODUCTION

In recent years, housing – and in particular, access to adequate and affordable housing – has been top of mind for Canadians, from low-income households to those wishing to purchase their first property. One important component of this issue is supply that targets affordability. In 2021, the federal government announced a new Housing Accelerator Fund to help municipalities accelerate the supply of additional housing units across the country.

On 3 February 2022, the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities (HUMA, or the committee) adopted the following motion:

That, pursuant to Standing Order 108(2), the committee undertake a study regarding options for the design and rollout for the government’s proposed Housing Accelerator Fund, including, but not limited to, investments in staffing and technological support for municipal planning departments, property purchases, infrastructure upgrades, and policy development (i.e. inclusionary zoning and transit oriented development bylaws) for the purpose of reaching the government’s goal of 100,000 new homes by 2024-25; that the study also investigate how the government can build on the Federal Lands Initiative to identify federally owned properties that might be made available to municipalities and/or other stakeholders for the purpose of increasing housing supply; that the committee report its findings and recommendations to the House; and that, pursuant to Standing Order 109, the committee request that the government table a comprehensive response to the report.¹

The committee received testimony related to this study over the course of seven meetings during May and June 2022. Forty-three witnesses appeared before the committee and 14 written briefs were received.²

1 House of Commons, Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities (HUMA), [Minutes of proceedings](#), 3 February 2022.

2 HUMA, [Housing Accelerator Fund](#).



The members of the committee would like to thank all those who participated in the study for providing input on the design and rollout of the new Housing Accelerator Fund, as well as suggestions on how the government can build on the Federal Lands Initiative.

This report provides a summary of testimony received by the committee, as well as recommendations directed to the Government of Canada aiming to better support the creation of housing that meets the needs of diverse communities across the country. After providing background information on the Housing Accelerator Fund, the Federal Lands Initiative, and other relevant federal programs, the committee outlines its key priorities regarding design of the Housing Accelerator Fund, the housing needs the Fund should address, and different ways the Fund can support municipalities to increase housing supply. Finally, the committee shares other actions the federal government can take, including building on the Federal Lands Initiative, to help to meet its housing supply goals.

CHAPTER 1: BACKGROUND INFORMATION

The Housing Accelerator Fund

According to analysis from Scotiabank published in May 2021, “Canada has the lowest number of housing units [424] per 1,000 residents of any G7 country. The number of housing units per 1,000 Canadians has been falling since 2016 owing to the sharp rise in population growth.”³ The analysis indicates that “[a]n extra [100,000] dwellings would have been required to keep the ratio of housing units to population stable since 2016.”⁴ Even if Canada were to achieve that level of new residential construction, it would still leave the country well below the G7 average, which is 471 housing units per 1,000 residents.⁵

Budget 2022, *A Plan to Grow Our Economy and Make Life More Affordable*, announced the launch of a new fund to accelerate housing construction:

Budget 2022 proposes to provide \$4 billion over five years, starting in 2022–23, to the Canada Mortgage and Housing Corporation to launch a new Housing Accelerator Fund. The fund will be designed to be flexible to the needs and realities of cities and communities, and could include support such as an annual per-door incentive for municipalities, or up-front funding for investments in municipal housing planning and delivery processes that will speed up housing development. Its focus will be on

3 Jean-François Perrault, *Estimating the Structural Housing Shortage in Canada: Are We 100 Thousand or Nearly 2 Million Units Short?*, Scotiabank, 12 May 2021.

4 Ibid.

5 Ibid.

increasing supply, but government supports will be targeted to ensure a balanced supply that includes a needed increase to the supply of affordable housing.

This new fund will target the creation of 100,000 net new housing units over the next five years.

The Housing Accelerator Fund will have a flexible single application system, and will still allow municipalities to access other related programs. The federal government will ensure that the program also takes into account smaller and rural communities that are growing quickly, like those in Atlantic Canada and northern Ontario.⁶

The Fund had been previously mentioned in the November 2021 Speech from the Throne.⁷ The December 2021 mandate letter for the Minister of Housing and Diversity and Inclusion also provided details on this fund and gave the Minister the responsibility to:

Invest in a new Housing Accelerator Fund to support municipalities in increasing the housing supply in Canada’s largest cities through measures such as inclusionary zoning, increased densification, reductions in construction approval timelines and the rapid development of vacant or underused lands.⁸

The Federal Lands Initiative

Launched in February 2019, the Federal Lands Initiative provides \$202 million over 10 years to support the transfer of surplus federal land and buildings at low or no cost to eligible developers, such as community housing organizations or municipal, provincial/territorial or Indigenous governments, for the development of affordable housing. This initiative’s target is to create 4,000 dwellings. The Canada Mortgage and Housing Corporation (CMHC) has “committed \$108.8 million to support the creation of over 3,200 units, of which over 1000 will be affordable.”⁹

The December 2021 Mandate Letter for the Minister of Housing and Diversity and Inclusion instructs the minister to “[i]ntroduce enhancements to the Federal Lands

6 Government of Canada, *A Plan to Grow Our Economy and Make Life More Affordable*, Budget 2022, p. 37.

7 Governor General of Canada, *Building a resilient economy: a cleaner & healthier future for our kids*, Speech from the Throne, 23 November 2021.

8 Office of the Prime Minister of Canada, *Minister of Housing and Diversity and Inclusion Mandate Letter*, 16 December 2021.

9 Canada Mortgage and Housing Corporation (CMHC), *Federal Lands Initiative; Progress on the National Housing Strategy*.



Initiative to ensure the federal government is more effectively deploying its inventory of lands to advance the objectives of the National Housing Strategy.”¹⁰

The Federal Role in Housing

With regards to jurisdiction, constitutional authority to make laws in relation to housing matters generally rests with the provincial governments.¹¹ Provinces, in turn, have the authority to delegate certain housing costs and programs to municipalities, thereby allowing local governments the possibility to play a role in the housing portfolio. The federal government can fund areas falling within provincial jurisdiction, including the overall housing portfolio, through the federal spending power (described as “the power to authorize the expenditure of public money under Parliament’s control”).¹² In the past, such spending has often involved a degree of cooperation between federal and provincial governments.

One of the federal government’s major spending initiatives in relation to housing is the National Housing Strategy,¹³ a ten-year, \$70+-billion strategy launched in 2017 and administered by CMHC. The National Housing Strategy includes a range of grants, contributions, loans, and other initiatives to support the construction or renovation of housing, including the National Housing Co-Investment Fund, the Rental Construction Financing Initiative, the Rapid Housing Initiative, and the Federal Lands Initiative,¹⁴ discussed in Chapter 5 of this report.

The federal government has also committed to the “co-development of distinctions-based Indigenous housing strategies” for First Nations, Métis and Inuit,¹⁵ as well as the implementation of an Urban, Rural and Northern Indigenous Housing Strategy.¹⁶ In a

10 Office of the Prime Minister of Canada, [Minister of Housing and Diversity and Inclusion Mandate Letter](#), 16 December 2021.

11 [Constitution Act, 1867](#), 30 & 31 Victoria, c. 3 (U.K.), ss. 91(7), 91(15), 91(19), 91(21), 91(24), 92(13) and 92(16). The federal government retains legislative authority over certain aspects of housing, including First Nations housing on reserve, military housing on some military bases, and various aspects that are critical to the operation of the overall housing system, including finance matters such as banking, the accrual of interest and insolvency.

12 Peter W. Hogg, *Constitutional Law of Canada*, 5th edition, vol. I, p. 33-2.

13 CMHC, [National Housing Strategy](#).

14 CMHC, [National Housing Co-Investment Fund](#); [Rental Construction Financing Initiative](#); [Rapid Housing Initiative](#); and [Federal Lands Initiative](#).

15 CMHC, [2019-2023 Summary of the Corporate Plan](#), p. 75.

16 Office of the Prime Minister of Canada, [Minister of Housing and Diversity and Inclusion Mandate Letter](#), 16 December 2021.

May 2021 report, the committee recommended that this latter strategy be developed by the federal government working with Indigenous peoples, governments, communities and organizations.¹⁷ The federal government funds homelessness-related initiatives through Reaching Home: Canada’s Homelessness Strategy, administered by Infrastructure Canada.¹⁸ Finally, the committee is aware that in *An Act to implement certain provisions of the budget tabled in Parliament on April 7, 2022 and other measures*, the federal government authorized the Minister of Finance to distribute a total of \$750 million to the provinces to address transit shortfalls and improve housing supply and affordability.¹⁹

CHAPTER 2: DESIGN OF THE HOUSING ACCELERATOR FUND

This chapter sets out key design features that the committee believes should be incorporated into the Housing Accelerator Fund (HAF), including its purpose and the way the funds are distributed. It identifies other guiding principles for the HAF, including flexibility in the way recipients can use the funding, stackability (i.e., the ability to work in tandem with other housing-related initiatives), and transparency and accountability.

Purpose

In Budget 2022, the federal government indicated that the HAF’s focus will be on increasing housing supply, including affordable housing, with a goal to create 100,000 net new units over five years. The committee believes that the purpose of the Fund could be further clarified.

Over the course of the study, some witnesses called for reflection on the purpose of the HAF, including the problems it aims to solve.²⁰ One witness recommended that the federal government undertake research to understand the “precise nature of the supply problem in Canada,” arguing that this understanding is necessary before launching solutions and making investments,²¹ while another called into question whether rising

17 HUMA, *Indigenous Housing: The Direction Home*, Fifth Report, May 2021, p. 3.

18 Infrastructure Canada, *About Reaching Home: Canada's Homelessness Strategy*.

19 *Bill C-19, n Act to implement certain provisions of the budget tabled in Parliament on April 7, 2022 and other measures*, 44th Parliament, 1st Session, s. 180.

20 HUMA, *Evidence*, 6 June 2022, 1110 (Jason Thorne, General Manager, Planning and Economic Development, City of Hamilton); *Evidence*, 2 June 2022, 1700 (Michael Bourque, Chief Executive Officer, Canadian Real Estate Association); *Evidence*, 19 May 2022, 1540 (Steve Pomeroy, Consultant and Executive Advisor, Canadian Housing Evidence Collaborative, McMaster University, As an Individual).

21 *Evidence*, 2 June 2022, 1700 (Bourque).



rents and home prices in Canada are indeed related mainly to housing supply, or to demand (due to factors such as access to inexpensive financing).²² The committee agrees that creating well-informed objectives for the HAF is critical, and hopes the ideas shared in this report – for instance, on the needs HAF funding should address, and how it can best support municipalities – can play a role in informing and refining the program’s purpose.

Distribution of Funding

A major topic that came up during the committee’s study was the distribution of HAF funding. In the following section, the committee reviews several aspects of this, including funding recipients and criteria, funding mechanisms, and funding timelines.

Funding Recipients and Criteria

A defining feature of the HAF will be who is eligible to receive the funding, and what criteria must be met to receive it. Several witnesses asked the federal government to provide funding directly to municipalities to increase funding certainty, provide flexibility, and ensure municipalities have the cash flow needed to act quickly.²³ However, a representative from the Société d’habitation populaire de l’Est de Montréal raised concerns about not involving the provinces, highlighting potential consequences such as reductions in provincial investment or support for smaller municipalities who rely on regional services.²⁴

The committee heard that funding criteria should be developed with the goal of giving municipalities the freedom to develop tailored, innovative solutions that respond to local needs, while also aiming to ensure that spending is both appropriate and effective.²⁵ Criteria could include, for example, requiring municipalities to have a plan for

22 [Evidence](#), 19 May 2022, 1540 (Pomeroy). See also Steve Pomeroy, [Observations and suggestions for the proposed Housing Accelerator Fund](#), January 2022.

23 [Evidence](#), 12 May 2022, 1645 and 1740 (Daniel Rubinstein, Senior Director, Policy and Government Relations, Federation of Canadian Municipalities); [Evidence](#), 5 May 2022, 1545 (Abigail Bond, Executive Director, Housing Secretariat, City of Toronto); [Evidence](#), 16 May 2022, 1300 (Benoit Dorais, Vice-Chair of the Executive Committee, City of Montréal); [Evidence](#), 16 May 2022, 1300 (John Collin, Manager, City of Saint John).

24 [Evidence](#), 16 May 2022, 1200 (Jean-Pierre Racette, Manager, Société d’habitation populaire de l’Est de Montréal).

25 [Evidence](#), 16 May 2022, 1155 (Joshua Barndt, Executive Director, The Neighbourhood Land Trust); [Submission](#) (Grey County), 30 June 2022, p. 2.

the funding,²⁶ or ensuring that they have instituted the policies needed to enable the types of housing the government is trying to support.²⁷

Funding Mechanisms

Another important consideration for the design of the HAF is how the funding will be distributed. Witnesses proposed different approaches to this. Although the committee received recommendations related to a project-based approach—for example, Edith Cyr, a representative of Bâtir son quartier, recommended that projects be selected through ongoing intake rather than calls for proposals²⁸—other witnesses expressed support for formula-based allocations,²⁹ either for municipalities or broader regions (given that smaller municipalities may rely on larger regional entities for housing services).³⁰

Two witnesses expressed support for an approach similar to that used for the Canada Community-Building Fund, formerly known as the Gas Tax Fund, which provides direct transfer of funds from the Consolidated Revenue Fund on a per capita basis to “provinces, territories, municipalities, municipal associations, provincial, territorial and municipal entities and First Nations for the purpose of municipal, regional and First Nations infrastructure.”³¹ Witnesses also proposed breakdowns for the Fund, with a witness from the Federation of Canadian Municipalities requesting that at least 50% of HAF funds be delivered through a stream dedicated to major cities,³² and a representative of the City of Montreal adding that 50% should be reserved for other municipalities.³³ Another witness specified that the Fund should be available to “all types of municipalities, including northern, rural, and large urban ones.”³⁴

26 [Evidence](#), 16 May 2022, 1235 (Collin).

27 [Evidence](#), 6 June 2022, 1200 (Thorne).

28 [Evidence](#), 5 May 2022, 1535 (Edith Cyr, General Manager, Bâtir son quartier).

29 [Evidence](#), 19 May 2022, 1635 (Brian Rosborough, Executive Director, Association of Municipalities of Ontario); [Evidence](#), 16 May 2022, 1255 (Collin); [Evidence](#), 16 May 2022, 1255 (John Taylor, Mayor, Town of Newmarket).

30 [Evidence](#), 16 May 2022, 1255 (Collin).

31 [Evidence](#), 16 May 2022, 1240 (Collin); [Evidence](#), 6 June 2022, 1200 (Thorne). See [Keeping Canada’s Economy and Jobs Growing Act](#), S.C. 2011, c. 24, Part 9.

32 [Evidence](#), 12 May 2022, 1645 (Rubinstein).

33 [Evidence](#), 16 May 2022, 1245 (Dorais).

34 [Evidence](#), 19 May 2022, 1725 (Rosborough).



Funding Timelines

The committee believes it is critical for HAF funds to be distributed to recipients quickly, both to avoid holding up development and to accommodate time-sensitive real estate transactions. A witness from the Neighbourhood Land Trust commented, “acquisition projects move at the pace of the market.”³⁵ To facilitate rapid distribution, witnesses recommended that the government ensure a simple or streamlined application process for the HAF,³⁶ and take action to address long funding approval timelines at CMHC.³⁷ The Government of Canada has proposed a “flexible single application system” for the HAF. In the committee’s view, the HAF application process must be streamlined, nimble and responsive to market realities if the Fund is to meet its objective of building 100,00 new housing units in five years.

With regard to the rapid distribution of funding, some witnesses pointed to the success of the Rapid Housing Initiative (RHI) in quickly addressing the urgent housing needs of vulnerable populations during the COVID-19 pandemic.³⁸ This initiative was introduced by the federal government in 2020 to “[provide] capital contributions under two streams (Cities Stream, and Projects Stream) to expedite the delivery of affordable housing.”³⁹ During their appearance before the committee on 2 June 2022, both the Honourable Ahmed Hussen, Minister of Housing and Diversity and Inclusion, and Romy Bowers, President and Chief Executive Officer of CMHC, said they would apply lessons learned from the RHI and other National Housing Strategy initiatives to the HAF,⁴⁰ with Bowers noting that “it’s our intention to make sure that the standard that was established in the [RHI] be implemented in other programs going forward.”⁴¹ The committee agrees that

35 [Evidence](#), 16 May 2022, 1145 (Barndt). See also [Evidence](#), 12 May 2022, 1725 (Thom Armstrong, Chief Executive Officer, Co-operative Housing Federation of British Columbia); [Evidence](#), 6 June 2022, 1115 (Edward John, Director, Housing Services, City of Hamilton); [Evidence](#), 16 May 2022, 1210 (Dorais); [Evidence](#), 16 May 2022, 1135-1145 (Racette); [Evidence](#), 16 May 2022, 1125 (Barndt); [Evidence](#), 19 May 2022, 1645, 1710 (Seth Asimakos, General Manager and Founder, Kaléidoscope).

36 [Evidence](#), 16 May 2022, 1215 (Collin); HUMA, [Submission](#) (Grey County), 30 June 2022, p. 2.

37 [Evidence](#), 19 May 2022, 1645, 1710 (Asimakos).

38 HUMA, [Evidence](#), 13 June 2022, 1225 (Carolyn Whitzman, Advisory Board Member, Women’s National Housing and Homelessness Network); HUMA, [Evidence](#), 5 May 2022, 1545 (Bond); HUMA, [Evidence](#), 12 May 2022, 1645 (Rubinstein).

39 CMHC, [Rapid Housing Initiative](#).

40 [Evidence](#), 2 June 2022, 1605 (Romy Bowers, President and Chief Executive Officer, Canada Mortgage and Housing Corporation); [Evidence](#), 2 June 2022, 1610 (Hon. Ahmed Hussen, Minister of Housing and Diversity and Inclusion).

41 [Evidence](#), 2 June 2022, 1635 (Bowers).

the valuable lessons learned from the RHI must be considered in the design and implementation of the HAF.

Witnesses also spoke to the need for predictable, sustained funding, including for projects with longer timelines.⁴² To accommodate the need for both rapid funding and funding that reflects longer project timelines, two witnesses proposed a phased approach. The representative from Bâtir son quartier recommended that all of the funding for some projects be made available over the first two years of the Fund.⁴³ Similarly, a witness from the City of Hamilton recommended that the HAF provide immediate support for existing rental units in danger of losing affordability (e.g., due to acquisition by investors), with new construction being initiated concurrently and delivered in later years.⁴⁴

Other Considerations

In the following section, the committee outlines other considerations it believes are important for the design of the Fund, including flexibility and regional diversity; stackability; and transparency and accountability. Note that witnesses also mentioned a range of other key principles for the design of the HAF, including financial sustainability;⁴⁵ protection for tenants in the context of redevelopments;⁴⁶ focusing on the needs of the most vulnerable, or members of disadvantaged groups;⁴⁷ engagement of stakeholders and affected communities in the design and implementation of the HAF;⁴⁸ and coordination between different levels of government, including Indigenous governments, with objectives such as implementing a human-rights based approach or ensuring that funding is associated with the intensification of housing.⁴⁹

42 [Evidence](#), 16 May 2022, 1145 (Barndt); [Evidence](#), 16 May 2022, 1145 (Racette); [Evidence](#), 16 May 2022, 1210 (Dorais); [Evidence](#), 6 June 2022, 1115 (John).

43 [Evidence](#), 5 May 2022, 1535 and 1605 (Cyr).

44 [Evidence](#), 6 June 2022, 1115 (John).

45 [Evidence](#), 12 May 2022, 1615 (Hahn).

46 [Evidence](#), 5 May 2022, 1615 (Bond); [Evidence](#), 5 May 2022, 1545 (Atkey).

47 [Submission](#) (Federal Housing Advocate), 23 June 2022, p. 2; [Evidence](#), 2 June 2022, 1650 (Cimon).

48 [Submission](#) (Habitat for Humanity Canada), 20 June 2022, p. 1; [Submission](#) (Federal Housing Advocate), 23 June 2022, p. 2; [Submission](#) (CERA), 30 June 2022, p. 5; [Submission](#) (National Right to Housing Network and Feminist Housing Collective), p. 4.

49 [Submission](#) (Federal Housing Advocate), 23 June 2022, p. 3; [Submission](#) (Redwood Corporation), 24 June 2022, p. 2.



Flexibility and Regional Diversity

The Need for Flexibility

Flexibility in how HAF funding can be spent will be essential to ensure that different local priorities can be addressed by the Fund, and that the Fund adequately reflects regional diversity.⁵⁰ As Kathy Heron of Alberta Municipalities stated,

[municipalities] are the experts in local land use planning and understand the housing needs of our communities as well as the barriers to those housing developments. Granting municipalities the flexibility to spend funds on local priorities will ensure that the goal of the housing accelerator fund can be achieved.⁵¹

Communities across Canada face different realities and therefore require different interventions.⁵² Municipalities are best placed to determine what solutions will have the strongest local impact.⁵³

Responsiveness to Distinct Regional Challenges

It is essential that the Fund be flexible to account for the distinct priorities and challenges in small, large, urban and rural communities. In urban centres, the committee heard about priorities such as limiting urban sprawl, increasing densification, and optimizing the use of existing infrastructure.⁵⁴ It also heard about challenges, including zoning that discourages intensification, redevelopment resulting in displacement of existing tenants,⁵⁵ and higher costs for land.⁵⁶

The Minister of Housing and Diversity and Inclusion told the committee about capacity-related challenges in smaller communities, such as too few permitting officials or lack of

50 [Evidence](#), 5 May 2022, 1545 (Bond); [Evidence](#), 16 May 2022, 1210 (Dorais); [Evidence](#), 16 May 2022, 1220 (Taylor); [Evidence](#), 19 May 2022, 1635 (Rosborough); [Evidence](#), 6 June 2022, 1105 (Cathy Heron, President, Alberta Municipalities); [Submission](#) (Western Ontario Wardens Caucus), 23 June 2022, p. 4.

51 [Evidence](#), 6 June 2022, 1105 (Heron).

52 [Evidence](#), 2 June 2022, 1650 (Éric Cimon, Director General, Association des groupes de ressources techniques du Québec); [Evidence](#), 12 May 2022, 1645 (Rubinstein); [Evidence](#), 6 June 2022, 1115 (John); [Evidence](#), 12 May 2022, 1715 (Armstrong).

53 [Evidence](#), 12 May 2022, 1645 (Rubinstein); [Evidence](#), 6 June 2022, 1115 (John); [Evidence](#), 16 May 2022, 1210 (Dorais).

54 [Evidence](#), 16 May 2022, 1210 (Dorais).

55 [Evidence](#), 5 May 2022 1540-1545 (Jill Atkey, Chief Executive Officer, British Columbia Non-Profit Housing Association).

56 [Evidence](#), 5 May 2022, 1630 (Cyr).

capacity to put together a plan.⁵⁷ One witness also noted that these communities have access to fewer developers.⁵⁸

Witnesses also advocated for the HAF to be made available in rural and remote communities.⁵⁹ A representative of the Federation of Canadian Municipalities recommended “creating a carve-out” for rural and small communities “to make sure that [these] communities have access to the [HAF] in a predictable way,” without having to compete with larger urban centres.⁶⁰

The committee also heard that rural communities face unique challenges in creating affordable housing. Patrick Michell, Chief of the Kanaka Bar Indian Band, noted a need for infrastructure supports such as internet, cell service, and waste management.⁶¹ A written submission from Develop West Prince, based in Western Prince Edward Island (PEI), highlighted challenges with existing CMHC programs—specifically, that rural projects are not well understood by CMHC staff and that CMHC data is not reflective of rural context.⁶²

In terms of solutions geared towards rural communities, Amber Crawford of the Association of Municipalities of Ontario noted that the organization’s rural members had expressed particular interest in land trusts and the provision of Crown lands.⁶³ Kevin Lee, Chief Executive Officer of the Canadian Home Builders’ Association, suggested innovative development (such as use of factory-built panelized and modular construction) be one of the Fund’s criteria, noting that much of the work for this type of construction can be completed in urban centres, requiring less labour for rural communities.⁶⁴ A written submission from the Western Ontario Wardens Caucus

57 [Evidence](#), 2 June 2022, 1605 (Hussen).

58 [Evidence](#), 16 May 2022, 1235 (Collin).

59 [Evidence](#), 19 May 2022, 1650 (Rosborough).

60 [Evidence](#), 12 May 2022, 1715 (Rubinstein). See also [Submission](#) (Habitat for Humanity Canada), 20 June 2022, p. 2.

61 [Evidence](#), 13 June 2022, 1235 (Patrick Michell, Chief, Kanaka Bar Indian Band). See also [Evidence](#), 19 May 2022, 1700 (Amber Crawford, Senior Advisor, Association of Municipalities of Ontario).

62 [Submission](#) (Develop West Prince), pp. 1-2.

63 [Evidence](#), 19 May 2022, 1700 (Crawford). Land trusts are “non-profit, charitable organizations which have as one of their core activities the acquisition of land or interests in land (like conservation easements) for the purpose of conservation.” These include community land trusts, which are “non-profit corporation[s] that [obtain] and [hold] land and housing for the benefit of the [communities] in which [they exist].” See Ontario Land Trust Alliance, [What is a Land Trust](#); and Canadian Housing and Renewal Association, [Perpetual affordability and Community Control of the Land: Community Land Trusts in Canada](#).

64 [Evidence](#), 12 May 2022, 1745 (Kevin Lee, Chief Executive Officer, Canadian Home Builders' Association).



stressed that rural areas require a range of affordable rental and ownership options, not just single-family homes.⁶⁵ Finally, Develop West Prince recommended that CMHC staff receive stronger education on working with rural populations and be located closer to the regions they serve; that assessment criteria for housing projects be modified to better reflect the needs of rural areas; and that CMHC refine its data and analysis tools to better reflect realities of rural PEI.⁶⁶

Given the wide range of circumstances faced by communities of different sizes across Canada, the committee believes it is critical that there is flexibility in the use of funds distributed under the HAF.

Stackability

The committee believes that it is important for the Fund to be stackable with (i.e., complementary to) other federal, provincial and municipal housing programs. In particular, applicants should be eligible to receive funding for the same project under the HAF and other federal funding streams, including supply-oriented measures such as the National Housing Co-Investment Fund and the Rental Construction Financing Initiative.⁶⁷ A representative of the City of Hamilton explained that the HAF alone would not be enough to meet the need for affordable housing:

With supply being the focus, one can expect per-unit funds to be significantly less than those associated with other funding approaches, such as the [Rapid Housing Initiative]. It would therefore be important to contemplate the ability for local municipalities to be in a position to stack programs in order for local priorities and the depth of affordability to be maximized.⁶⁸

Stackability with related programs at the provincial or municipal levels will also be critical to the Fund's success.⁶⁹ As a witness from the Canadian Housing and Renewal

65 [Submission](#) (Western Ontario Wardens Caucus), 23 June 2022, p. 1.

66 [Submission](#) (Develop West Prince), pp. 1-2.

67 [Evidence](#), 5 May 2022, 1545 (Bond); [Evidence](#), 19 May 2022, 1635 (Rosborough); [Evidence](#), 6 June 2022, 1115 (John); [Evidence](#), 2 June 2022, 1715 (Jeff Morrison, Executive Director, Canadian Housing and Renewal Association); [Submission](#) (Centre for Equality Rights in Accommodation [CERA]), 30 June 2022, p. 4; [Submission](#) (National Right to Housing Network and Feminist Housing Collective), p. 3.

68 [Evidence](#), 6 June 2022, 1115 (John).

69 [Evidence](#), 12 May 2022, 1705 (Armstrong); [Evidence](#), 16 May 2022, 1210 (Dorais); [Evidence](#), 2 June 2022, 1655 (Morrison).

Association explained, navigating funding programs from different levels of government can be very difficult:

[O]ne of the most onerous aspects of affordable housing development is the misalignment between housing programs and policies between different orders of government. Oftentimes, community housing providers are forced to navigate between multiple programs at different levels of government, each with their own application criteria, timelines, funding levels and so forth.⁷⁰

One potential avenue to improve coordination, suggested by a witness from the Rose Corporation, would be using part of the \$4 billion allocated to the HAF to create a liaison office within CMHC that would coordinate housing initiatives between different levels of government.⁷¹ The witness argued that “government policy impacting affordable housing needs to be well-coordinated,” observing that “[c]urrently, federal, provincial, regional and municipal governments are largely acting as independent agents,” resulting in “a mishmash of incentives that literally don’t speak to each other.”⁷²

The committee agrees with witnesses that different federal housing programs, including the HAF and funding streams under the National Housing Strategy, must be able to work in tandem to ensure municipalities and other stakeholders have the support needed to increase the supply of housing required in their communities. The committee also believes that the Government of Canada can play an important role in improving coordination between all levels of government to ensure housing-related funding programs are better aligned.

Transparency and Accountability

The committee also heard that transparency and accountability will be essential in monitoring and evaluation of the HAF, including but not limited to being transparent about the end use of public and private funds, providing disaggregated data, and making public key performance indicators. As stated by a representative of BILD Calgary Region, there is a need for “fully transparent measurement and reporting of all government funding for housing, including the demonstration of the value-for-dollar on those investments.”⁷³ Written briefs from the Centre for Equality Rights in Accommodation (CERA) and the Federal Housing Advocate called for publicly released annual reviews of

70 *Evidence*, 2 June 2022, 1655 (Morrison).

71 *Evidence*, 12 May 2022, 1625 (Sam Reisman, Chief Executive Officer, The Rose Corporation).

72 Ibid.

73 *Evidence*, 12 May 2022, 1615 (Brian Hahn, Chief Executive Officer).



the HAF’s performance and “disaggregated data to understand the challenges and monitor results,” respectively.⁷⁴ The latter called for meaningful involvement of affected communities (i.e., those most in need and Indigenous peoples) in the monitoring of the Fund.⁷⁵

Witnesses also provided input on potential performance indicators for the Fund. CERA and the Federal Housing Advocate both advocated for monitoring to ensure the Fund adheres to a human-rights-based approach, with the latter recommending, “clear human rights-informed targets, timelines and indicators.”⁷⁶ CERA recommended tracking metrics such as whether the Fund increases affordable housing supply for low- to moderate-income households, and the number of affordable rental units approved and built.⁷⁷ A witness from the Rose Corporation warned against overemphasizing short-term metrics, given that “affordable housing is a long-term investment whose benefits are also realized over an extended time frame.”⁷⁸

In addition, a written submission from the National Right to Housing Network and Feminist Housing Collective recommended that recipients be required to submit annual reports that provide information on “net change in housing stock at price points affordable to very low-, low-, and moderate-income households” and sub-targets related to priority groups identified in the National Housing Strategy and others (including households led by women, gender-diverse people, and single mothers).⁷⁹

On the other hand, a written submission from Grey County requested that the reporting process be streamlined to ensure as many resources as possible can be spent on affordable housing projects.⁸⁰

CHAPTER 3: HOUSING NEEDS

In Budget 2022, the federal government indicated that while the focus of the HAF will be on increasing supply, targeting the creation of 100,000 net new housing units, supports through the HAF will also “be targeted to ensure a balanced supply that includes a

74 [Submission](#) (CERA), 30 June 2022, p. 5; [Submission](#) (Federal Housing Advocate), 23 June 2022, p. 2.

75 [Submission](#) (Federal Housing Advocate), 23 June 2022, p. 2.

76 [Submission](#) (CERA), 30 June 2022, p. 5; [Submission](#) (Federal Housing Advocate), 23 June 2022, p. 2.

77 [Submission](#) (CERA), 30 June 2022, p. 5.

78 [Evidence](#), 12 May 2022, 1625 (Reisman).

79 [Submission](#) (National Right to Housing Network and Feminist Housing Collective), p. 4.

80 [Submission](#) (Grey County), 30 June 2022, p. 2.

needed increase to the supply of affordable housing.”⁸¹ During this study, the committee received considerable oral and written testimony on the kind of housing supply needed in communities across the country, including but not limited to affordable housing. This chapter summarizes what the committee heard about the types housing that the HAF should fund; ways to ensure that the housing resulting from the Fund is truly affordable; and housing needs of distinct groups, including persons with disabilities, Indigenous peoples, and women that the Fund will need to address.

Types of Housing

The committee sees a need for the HAF to support not only an increase in housing supply overall, but also housing that better meets the needs of Canadians. The HAF should include a variety of different unit types, targeting the populations and locations that need it most.⁸² To this effect, witnesses expressed caution about the “per-door” incentive proposed for the HAF in Budget 2022, advising that the government ensure the incentive does not disproportionately encourage construction of studio apartments and one-bedroom units or other units that do not meet local needs.⁸³ Several organizations pointed to a need for more family-sized (e.g., two-, three- or four-bedroom units) and child-friendly housing.⁸⁴ Funding housing that suits a mix of incomes, family types, household sizes, and tenures will be important.⁸⁵ Similarly, witnesses highlighted the need for housing close to transit,⁸⁶ and housing that is adequate with regard to safety and maintenance.⁸⁷

81 Government of Canada, *A Plan to Grow Our Economy and Make Life More Affordable*, Budget 2022, p. 37.

82 *Evidence*, 5 May 2022, 1550 (Bond); *Evidence*, 5 May 2022, 1555 (Atkey).

83 *Evidence*, 5 May 2022, 1540 (Atkey); *Evidence*, 19 May 2022, 1600 (Mike Moffatt, Senior Director, Smart Prosperity Institute); *Evidence*, 6 June 2022, 1115 (John).

84 *Evidence*, 5 May 2022, 1540 (Atkey); *Evidence*, 12 May 2022, 1720 (Armstrong); *Evidence*, 19 May 2022, 1545 (Moffatt); *Submission* (CERA), 30 June 2022, p. 3; *Submission* (Redwood Corporation), 24 June 2022, p. 3.

85 *Evidence*, 6 June 2022, 1110 (Thorne).

86 *Evidence*, 5 May 2022, 1545 (Bond); *Evidence*, 19 May 2022, 1635 (Rosborough).

87 *Submission* (CERA), 30 June 2022, p. 3.



Witnesses also called for climate-friendly or energy-efficient housing.⁸⁸ The committee notes that existing programs under the National Housing Strategy have minimum energy efficiency requirements.⁸⁹

Based on the testimony received, the committee agrees that the HAF must not only aim to increase housing supply, but to increase the kind of supply most needed in communities across Canada—including but not limited to housing that is energy efficient, and able to accommodate families of various sizes.

Affordability

A key issue for the Fund’s design and implementation is affordability. In this section, the committee sets out what it believes to be important considerations regarding the definition of affordability in the context of the HAF, and ways the Fund can support the supply of affordable housing.

Defining Affordability

As stated in Budget 2022, one of the HAF’s purposes is the increase the supply of affordable housing. However, there is no consensus on the definition of affordability. The committee heard that official definitions vary by jurisdiction,⁹⁰ and that affordability is not one-size-fits all. One witness highlighted the variation in cost of living between different regions, noting that individuals relying on benefits may be living on the same income despite different costs,⁹¹ while another highlighted that “affordability” means different things for people with very low, low, and moderate income.⁹² Several witnesses advocated for a definition of affordability that is based on income,⁹³ with some expressing support for CMHC’s existing definition of affordability (30% of before-tax

88 [Evidence](#), 19 May 2022, 1545 (Moffatt); [Evidence](#), 6 June 2022, 1105 (Heron); [Evidence](#), 19 May 2022, 1635 (Rosborough); [Evidence](#), 6 June 2022, 1110 (Thorne).

89 CMHC, [Federal Lands Initiative](#); [National Co-Investment Fund: Minimum Environmental & Accessibility Requirements – New Construction](#); [National Co-Investment Fund: Minimum Environmental & Accessibility Requirements – Repairs and Renewals](#); [Rental Construction Financing Initiative](#).

90 [Evidence](#), 6 June 2022, 1140 (Coralie Le Roux, Senior Advisor, Regroupement des offices d’habitation du Québec); [Evidence](#), 16 May 2022, 1200 (Barndt).

91 [Evidence](#), 5 May 2022, 1630 (Cyr).

92 [Evidence](#), 13 June 2022, 1220 (Whitzman).

93 [Evidence](#), 6 June 2022, 1210 (John); [Evidence](#), 16 May 2022, 1205 (Racette); [Evidence](#), 13 June 2022, 1130 (Whitzman); [Submission](#) (CERA), 30 June 2022, pp. 2-3.

household income).⁹⁴ Given this testimony, the committee sees the need for the Government of Canada to reassess the definition of affordability for the purposes of the HAF.

Some witnesses drew a distinction between affordable housing and housing affordability, with Steve Pomeroy (appearing as an individual) describing the former as focusing on low-income Canadians, and the latter as focusing on the affordability of market housing, such as homeownership for first-time buyers.⁹⁵

Keith Lancaster of the Appraisal Institute of Canada advised that the Fund focus “on housing affordability independent of, and in addition to, efforts focused on affordable housing,”⁹⁶ while others recommended that it focus exclusively on housing affordability.⁹⁷ For example, Pomeroy recommended “surgically target[ing]” the Fund to focus on housing affordability, including by incentivizing municipalities to increase the supply of family-oriented, ground oriented homes below certain price criteria.⁹⁸

Affordable Housing

While the HAF may address the entire housing continuum, the committee believes that non-market affordable housing must be a major focus. A number of witnesses emphasized affordable housing in their testimony⁹⁹ and suggested a range of ways the Fund could support this, such as:

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- 94 [Evidence](#), 16 May 2022, 1205 (Racette); [Evidence](#), 13 June 2022, 1130 (Whitzman); [Submission](#) (National Right to Housing Network and Feminist Housing Collective), p. 2. See also CMHC, [About Affordable Housing in Canada](#).
- 95 [Evidence](#), 19 May 2022, 1605 (Pomeroy).
- 96 [Evidence](#), 12 May 2022, 1630 (Keith Lancaster, Chief Executive Officer, Appraisal Institute of Canada).
- 97 [Evidence](#), 19 May 2022, 1655 (Braithwaite); [Evidence](#), 19 May 2022, 1540 (Pomeroy).
- 98 [Evidence](#), 19 May 2022, 1540 (Pomeroy).
- 99 [Evidence](#), 6 June 2022, 1110 (Thorne); [Evidence](#), 6 June 2022, 1200 (Anne Demers, General Director, Regroupement des offices d'habitation du Québec); [Evidence](#), 6 June 2022, 1115 (John); [Submission](#) (Federal Housing Advocate), 23 June 2022, p. 2; [Submission](#) (Habitat for Humanity Canada), 20 June 2022, p. 1; [Submission](#) (Lutheran Social Services, Owen Sound), 7 June 2022; [Submission](#) (Western Ontario Wardens Caucus), 23 June 2022, p. 1.



- Prioritizing the production and renovation of affordable rental housing,¹⁰⁰ and requiring funding to go towards the creation of affordable housing instead of administrative functions;¹⁰¹
- Prioritizing non-market housing;¹⁰²
- Incentivizing the supply of ownership and rental housing for low- and moderate-income households,¹⁰³ and supporting construction of new homes that are permanently affordable to these households;¹⁰⁴
- Requiring annual per-door incentives to be spent on affordable housing;¹⁰⁵
- Supporting community land trusts (e.g., purchasing land for land trusts, providing incentives for municipalities or developers to donate housing or property);¹⁰⁶
- Incentivizing partnerships between municipalities and the community housing sector and its developers to increase the supply of non-market housing in larger municipal centres;¹⁰⁷
- Prioritizing the scaling up of moderate-income homes and targeting Canada housing benefits to subsidize those new homes for very low and low-income groups;¹⁰⁸

100 [Evidence](#), 5 May 2022, 1535 (Cyr); [Evidence](#), 5 May 2022, 1540 (Atkey).

101 [Evidence](#), 5 May 2022, 1535 (Cyr).

102 [Submission](#) (Co-operative Housing Federation of Canada), 30 June 2022, p. 2.

103 [Evidence](#), 16 May 2022, 1225 (Taylor).

104 [Evidence](#), 12 May 2022, 1620 (Armstrong).

105 [Evidence](#), 5 May 2022, 1540 (Atkey).

106 [Evidence](#), 19 May 2022, 1640 (Michael Braithwaite, Chief Executive Officer, Blue Door Support Services); [Evidence](#), 19 May 2022, 1655 (Asimakos). See also [Submission](#) (Blue Door Support Services), June 2022, p. 3.

107 [Evidence](#), 12 May 2022, 1620 (Armstrong).

108 [Evidence](#), 13 June 2022, 1135 (Whitzman); [Submission](#) (National Right to Housing Network and Feminist Housing Collective), pp. 2-3.

- Supporting as-of-right approvals¹⁰⁹ for non-profit and affordable development,¹¹⁰ and
- Freeing up land for non-profit and co-op developers to reduce the cost of housing development.¹¹¹

To ensure that housing remains affordable in the long term, witnesses proposed approaches such as prioritizing social, community or non-profit housing¹¹² and funding housing organizations with specific commitments to long-term affordability, such as co-ops,¹¹³ non-profit organizations, public entities, and community land trusts.¹¹⁴ Three witnesses also acknowledged the role of rent controls in maintaining affordability, but some called for balance to ensure rent controls are predictable and do not deter private developers.¹¹⁵

It should be noted that not all witnesses believed that non-market affordable housing should be the Fund's main focus. For example, testimony from the City of Saint John, BILD Calgary Region, and Habitat for Humanity Canada recommended that the Fund support the entire housing continuum, including market-price housing and homeownership, and not just affordable or community housing.¹¹⁶ Others saw a role for the Fund in supporting housing affordability as it relates to market housing.¹¹⁷

109 “As-of-right” means that a development can go ahead without having to undergo an extensive approval or rezoning process, provided that it complies with existing zoning requirements. See, for example, City of Halifax, [As-of-Right Development](#), and Fraser Institute, “[Toronto takes small step forward with laneway houses](#),” *The Fraser Institute Blog*, 5 July 2018.

110 [Evidence](#), 13 June 2022, 1135 (Whitzman).

111 [Evidence](#), 12 May 2022, 1620 (Armstrong). See also HUMA, [Submission](#) (Habitat for Humanity Canada), 20 June 2022, p. 1.

112 [Evidence](#), 2 June 2022, 1650 (Cimon); [Evidence](#), 12 May 2022, 1705 (Armstrong); [Evidence](#), 2 June 2022, 1700 (Morrison); [Evidence](#), 16 May 2022, 1205 (Racette).

113 The Co-operative Housing Federation of Canada explains that co-op housing “[stays] affordable because [it is] run on a non-profit basis and is never resold.” Co-operative Housing Federation of Canada, [About Co-op Housing](#).

114 [Evidence](#), 16 May 2022, 1150 (Barndt).

115 [Evidence](#), 12 May 2022, 1625 (Reisman); [Evidence](#), 16 May 2022, 1230 (Taylor); [Evidence](#), 16 May 2022, 1235 (Collin); [Evidence](#), 16 May 2022, 1235 (Dorais).

116 [Evidence](#), 16 May 2022, 1215 (Collin); [Evidence](#), 12 May 2022, 1740 (Hahn); [Submission](#) (Habitat for Humanity Canada), 20 June 2022, p. 2.

117 [Evidence](#), 12 May 2022, 1630 (Keith Lancaster, Chief Executive Officer, Appraisal Institute of Canada); [Evidence](#), 19 May 2022, 1655 (Braithwaite); [Evidence](#), 19 May 2022, 1540 (Pomeroy).



The committee thanks witnesses for their important input on this topic, including for the wealth of ideas on how the HAF can support affordability in both market and non-market housing. The committee believes that while the Fund may address the entire housing continuum, non-market affordable housing must be a major focus.

Accessible Housing and Housing for Persons with Disabilities

It is critical that the design and implementation of the HAF take into account the housing needs of persons with disabilities. In this section, the committee outlines important considerations relating to accessibility and “deeply affordable” housing.

Witnesses argued that the HAF should include support for accessible housing.¹¹⁸ Anne Demers of the Regroupement des offices d’habitation du Québec stressed the importance of affordable and predictable access to adapted housing for people with disabilities and seniors, given Canada’s aging population.¹¹⁹ Further, Thea Kurdi of Designable Environments Inc. recommended that 100% of the housing receiving HAF funding be visitable and adaptable based on existing guidelines from CMHC and the Canadian Standards Association¹²⁰ (note that the National Housing Strategy also has minimum accessibility guidelines).¹²¹

Beyond accessibility, Gary Gladstone of Reena (a non-profit organization that provides services for persons with developmental or intellectual disabilities) asserted the need for “deeply affordable” housing that is affordable for those with developmental disabilities, many of whom rely on provincial disability benefits. To accomplish this, he recommended that 10% of units created through the HAF be earmarked for this group; that CMHC fund non-profit agencies to purchase land for deeply affordable housing; and that federally owned properties be made available for the construction of deeply affordable housing for those with developmental disabilities.¹²²

118 [Evidence](#), 13 June 2022, 1110 (Thea Kurdi, President, Designable Environments Inc.); [Evidence](#), 6 June 2022, 1210 (Demers); [Submission](#) (Grey County), 30 June 2022, p. 2.

119 [Evidence](#), 6 June 2022, 1210 (Demers).

120 [Evidence](#), 13 June 2022, 1110 (Kurdi). See, for example, CMHC, [Accessible housing by design](#), 31 March 2018, and CSA Group, [Accessible design for the built environment](#), March 2020.

121 See, for example, CMHC, [Federal Lands Initiative](#); [National Co-Investment Fund: Minimum Environmental & Accessibility Requirements – New Construction](#); [National Co-Investment Fund: Minimum Environmental & Accessibility Requirements – Repairs and Renewals](#); [Rental Construction Financing Initiative](#).

122 [Evidence](#), 13 June 2022, 1120 (Gary Gladstone, Head of Stakeholder Relations, Reena).

The committee recognizes the need for the HAF to support housing supply that is deeply affordable for persons with developmental disabilities, as well as others who receive disability benefits or who live on very low incomes. It also recognizes the need for barrier-free housing for all Canadians.

Housing for Indigenous Peoples

It is imperative that the design and implementation of the HAF take into account the diversity of First Nations, Inuit and Métis peoples and communities and their housing needs. In this section of the report, the committee outlines important considerations for how the HAF can support adequate, affordable, and culturally appropriate housing for Indigenous communities across the country, drawing on testimony from First Nations communities and an Indigenous housing organization.

Sarah Silva, a witness from the Hiyám Housing Society, Squamish Nation, recommended allowing HAF funding to be used for housing on reserve. She indicated that municipalities could support First Nations on reserve through the development of infrastructure and through prioritization of municipal service agreements with First Nations Communities to provide access to services like water and utilities.¹²³ In addition, witnesses recommended that the HAF prioritize projects that partner with Indigenous organizations, require that municipalities include urban Indigenous housing needs in their housing plans and official community plans¹²⁴ and fund consultation about Indigenous peoples' housing needs within municipal boundaries.¹²⁵

Witnesses also spoke about housing needs in Indigenous communities. The committee heard that Indigenous households experience disproportionate levels of core housing need.¹²⁶ According to witnesses, addressing Indigenous housing needs must involve culturally safe or supportive housing in urban environments and on reserve.¹²⁷ Celeste Hayward of the Aboriginal Housing Management Association described culturally supportive housing as Indigenous-led and Indigenous-owned housing “that requires

123 [Evidence](#), 13 June 2022, 1150 (Sarah Silva, Chief Executive Officer, Hiyám Housing Society, Squamish Nation).

124 [Evidence](#), 13 June 2022, 1105 (Celeste Hayward, Director of Operations, Aboriginal Housing Management Association).

125 [Evidence](#), 19 May 2022, 1635 (Rosborough).

126 [Evidence](#), 13 June 2022, 1105 (Hayward).

127 [Evidence](#), 13 June 2022, 1105 (Hayward); [Evidence](#), 13 June 2022, 1125 (Silva).



acknowledgment of [I]ndigenous—[F]irst [N]ations, Métis and Inuit—cultural needs and accessibility within housing.” She explained that a culturally supportive approach

starts with design, so how it's put together, how the space is created, what's available in the space, how people access each other and how people create community. It goes all the way to how we interact with the tenants and the services that are provided to the tenants to ensure that there's a connection to create the opportunity for home and that sense of belonging...¹²⁸

Similarly, Silva called for “more funding for culturally safe and appropriate housing design and supports so that we can help to heal within our communities and help to heal from the generations of trauma that we've had to go through with the residential schools.”¹²⁹

Hayward suggested that, in order to reduce discrimination and improve the experiences of Indigenous housing providers looking to create affordable housing, municipalities should apply the concept of cultural safety “in reviewing their housing strategies and how they're working with [I]ndigenous people.”¹³⁰

It was also noted that definitions of affordability based on the needs and income levels of non-First Nations communities may not accurately reflect the needs of First Nations communities.¹³¹ Silva stated,

In our communities we've done a lot of work. We have our own governance structure. We have our internal processes. We're doing a lot of our own data collection on housing need and demand. What we're realizing after looking at our data is that, with a lot of the other governments, the programming of their level of affordability is really for the outside communities and doesn't reflect the needs and the income levels of our community. I hope the funding will be flexible and will allow for the [F]irst [N]ations to define their levels of affordability.¹³²

Silva recommended the government engage with First Nations communities to determine what is affordable for their members and integrate that knowledge into current and future housing programming.¹³³

128 [Evidence](#), 13 June 2022, 1235 (Hayward).

129 [Evidence](#), 13 June 2022, 1105 (Hayward); [Evidence](#), 13 June 2022, 1130 (Silva).

130 [Evidence](#), 13 June 2022, 1210 (Hayward).

131 [Evidence](#), 13 June 2022, 1125 (Silva).

132 Ibid.

133 [Evidence](#), 13 June 2022, 1125 and 1220 (Silva).

Indigenous peoples are best placed to address the needs and priorities of their people and communities. To ensure that the HAF results in affordable, culturally safe housing that meets Indigenous housing needs, the committee believes that the federal government must work with Indigenous peoples, communities and organizations on its design. The committee also acknowledges that general definitions of affordability may not accurately reflect the housing needs of Indigenous peoples and communities.

Women's Housing Needs

The committee believes that in the design and implementation of the HAF, the federal government must also be mindful of women's housing needs. In this section, the committee highlights ways that the Fund can help address the distinct housing challenges facing women and women-led households.

The committee heard from Carolyn Whitzman, Advisory Board Member of the Women's National Housing and Homelessness Network, that "households led by women and gender-diverse people, and especially single-mother-led families, are most likely to be in housing need," especially in the cases of women who are "[I]ndigenous, racialized, 2SLGBTQ+,¹³⁴ newcomers or persons with disabilities."¹³⁵ Although the National Housing Strategy currently includes a target for 33% of federal investments to go towards addressing the housing needs of women and their children,¹³⁶ Whitzman highlighted that women-led households represent 40% of households and are twice as likely as male-led households to be in housing need.¹³⁷

Whitzman highlighted the importance of sub-targets for federal spending on affordable housing, including for women and gender-diverse people. She also recommended that the HAF be designed with an intersectional approach, including through the lens of Gender-Based Analysis Plus.¹³⁸

134 Refers to individuals who are Two-Spirit, lesbian, gay, bisexual, transgender, queer or questioning. The "plus" refers to other gender identities or sexual orientations.

135 [Evidence](#), 13 June 2022, 1130 (Whitzman).

136 CMHC, [Serving women and their children through the National Housing Strategy](#).

137 [Evidence](#), 13 June 2022, 1200 (Whitzman).

138 [Evidence](#), 13 June 2022, 1130 (Whitzman). See also [Submission](#) (National Right to Housing Network and Feminist Housing Collective), p. 2. In the Government of Canada, Gender-Based Analysis Plus refers to "an analytical process that provides a rigorous method for the assessment of systemic inequalities, as well as a means to assess how diverse groups of women, men and gender-diverse people may experience policies, programs and initiatives." Government of Canada, [What is Gender-based Analysis Plus](#) and Laura Munn-Rivard, ["Gender-based Analysis Plus in Canada," HillNotes](#), Library of Parliament, 26 May 2017.



Over the course of the study, two witnesses made recommendations related to housing for Indigenous women in particular. Sarah Silva of the Squamish Nation suggested that HAF funding for First Nations on reserve could go towards affordable housing projects that include housing for women and other vulnerable community members.¹³⁹

Whitzman advised that the HAF include set-asides similar to what has been done in the Toronto, where a prescribed amount of the city’s affordable housing will be developed for Indigenous peoples by the Miziwe Biik Development Corporation, an Indigenous organization.¹⁴⁰

The committee takes note of the disproportionate risk of core housing need facing diverse groups of women, including Indigenous women, and sees a need for the HAF to enable housing supply for these and other vulnerable groups.

CHAPTER 4: SUPPORTING MUNICIPALITIES

In Budget 2022, the federal government explained that the HAF “could include support such as an annual per-door incentive for municipalities, or up-front funding for investments in municipal housing planning and delivery processes that will speed up housing development.”¹⁴¹ The committee received a wealth of testimony on different activities the HAF can support by municipalities, summarized in the section below.

Municipal Capacity, Processes and Planning

According to witnesses, one way that the HAF could support municipalities is by funding capacity development, as well as process improvement within municipal approvals and planning departments.¹⁴² Investments in this area could include support for training¹⁴³

139 [Evidence](#), 13 June 2022, 1150 (Silva).

140 [Evidence](#), 13 June 2022, 1145 (Whitzman). See, for example, City of Toronto, [Supporting the Creation of 5,200 Affordable Rental Homes 'For Indigenous, By Indigenous' in Partnership with Miziwe Biik Development Corporation](#), 7 September 2021.

141 Government of Canada, [A Plan to Grow Our Economy and Make Life More Affordable](#), Budget 2022, p. 37.

142 [Submission](#) (Habitat for Humanity Canada), 20 June 2022, p. 1; [Submission](#) (Redwood Corporation), 24 June 2022, p. 2.

143 [Evidence](#), 16 May 2022, 1235 (Collin); [Evidence](#), 2 June 2022, 1655 (Morrison); [Evidence](#), 12 May 2022, 1635 (Lee).

or staffing.¹⁴⁴ This could also include investing in planning, permitting, zoning, inspection or approval systems¹⁴⁵ (including digital e-permitting, digital application platforms, automation of processes or other technological solutions, or adoption of Lean Sigma methodologies).¹⁴⁶ A joint brief from the Municipal Information Systems Association of Ontario and AECO Innovation Lab proposed establishing an integrated national development approval system, noting the fragmented nature of the development approval process across the country.¹⁴⁷

However, one witness identified a pitfall of streamlining approval processes – notably, that these processes are design to catch issues with development that could have significant negative impacts if missed.¹⁴⁸ In addition, a witness from the Ontario Association of Municipalities mentioned that not all delays in the approval process originate with municipalities, and that there may also be delays related to conservation authorities (watershed management agencies unique to Ontario) and provincial ministries.¹⁴⁹

Witnesses also suggested that HAF funds could be used to support planning and research activities within municipal departments, such as adopting community improvement plans,¹⁵⁰ conducting development reviews or municipal infrastructure and growth modelling,¹⁵¹ collecting and disseminating best practices,¹⁵² analyzing data

144 [Evidence](#), 16 May 2022, 1235 (Collin); [Evidence](#), 2 June 2022, 1655 (Morrison); [Evidence](#), 12 May 2022, 1635 (Lee); [Evidence](#), 5 May 2022, 1630 (Bond); [Evidence](#), 6 June 2022, 1110 (Thorne); [Evidence](#), 19 May 2022, 1635 (Rosborough); [Submission](#) (Grey County), 30 June 2022, p. 3; [Submission](#) (Western Ontario Wardens Caucus), 23 June 2022, p. 4.

145 [Evidence](#), 12 May 2022, 1655 (Rubinstein); [Evidence](#), 12 May 2022, 1635 (Lee).

146 [Evidence](#), 19 May 2022, 1635 (Rosborough); [Submission](#) (Western Ontario Wardens Caucus), 23 June 2022, p. 4; [Evidence](#), 6 June 2022, 1110 (Thorne); [Evidence](#), 12 May 2022, 1630 (Lancastle); [Submission](#) (Grey County), 30 June 2022, p. 3; [Evidence](#), 19 May 2022, 1635 (Rosborough); [Evidence](#), 2 June 2022, 1700 (Bourque). “Lean Sigma” refers to a combination of two methodologies for the improvement of business processes: Lean and Six Sigma. See, for example, ASQ, “What is Lean Six Sigma,” [What is Six Sigma?](#)

147 HUMA, [Submission](#) (AECO Innovation Lab and the Municipal Information Systems Association of Ontario).

148 [Evidence](#), 6 June 2022, 1110 (Thorne).

149 [Evidence](#), 19 May 2022, 1650 (Rosborough); Conservation Ontario, [About Conservation Authorities](#).

150 [Evidence](#), 19 May 2022, 1635 (Rosborough); [Submission](#) (Grey County), 30 June 2022, p. 3; [Submission](#) (Western Ontario Wardens Caucus), 23 June 2022, p. 4.

151 [Evidence](#), 6 June 2022, 1110 (Thorne).

152 [Evidence](#), 19 May 2022, 1635 (Rosborough).



related to local housing market needs,¹⁵³ or studying market conditions necessary for inclusionary zoning or transit-oriented housing developments.¹⁵⁴

The committee agrees that funding for improvements to municipal planning and processes should be included in the HAF's design, and thanks witnesses for their recommendations on elements that the Fund could support.

Development

In Budget 2022, the federal government stated that “[b]uilding more housing will require investments, but it will also require changes to the systems that are preventing more housing from being built.”¹⁵⁵ The extent to which HAF funds should directly support housing development, in addition to interventions that address barriers to housing supply, is an important consideration for the Fund's design. In this section, the committee shares its findings related to the Fund's role in supporting development, as well as the potential role of non-profit organizations in this development.

General Considerations

The committee sees a role for the HAF in funding housing development within municipalities, both pertaining to new construction and to renovation, and received a range of testimony to this effect. A witness from the City of Toronto stated that the city would prefer to direct the majority of HAF funds directly to housing need, including through building housing, investing in existing affordable housing projects, and buying land.¹⁵⁶ Similarly, a witness from the City of Montréal recommended that the HAF provide funding for “affordable off-market projects, with financial resources focused on the construction of housing.”¹⁵⁷ A written submission from Grey County recommended that the HAF fund “[f]inancial programs to create or renovate existing buildings for transitional housing, supportive housing and not-for-profit housing.”¹⁵⁸

153 [Evidence](#), 19 May 2022, 1635 (Rosborough); [Submission](#) (Western Ontario Wardens Caucus), 23 June 2022, p. 4.

154 [Evidence](#), 19 May 2022, 1635 (Rosborough).

155 Government of Canada, [A Plan to Grow Our Economy and Make Life More Affordable](#), Budget 2022, p. 37.

156 [Evidence](#), 5 May 2022, 1630 (Bond).

157 [Evidence](#), 16 May 2022, 1210 (Dorais).

158 [Submission](#) (Grey County), 30 June 2022, p. 2.

Some recommendations focused mainly on revitalization, with one witness recommending that the HAF disincentivize greenfield development (development in previously undeveloped areas),¹⁵⁹ and another recommending that it support brownfield development (development in vacant or underused industrial or commercial properties where there may be contamination—e.g., gas stations, dry cleaners).¹⁶⁰ Two witnesses suggested that the HAF could support local development incentive programs,¹⁶¹ such as those in the City of Hamilton, which offers financial incentives for activities such as cleaning up brownfields and reuse of heritage buildings, including through zero-interest loans.¹⁶²

The Role of Non-Profits

Non-profit organizations should play a role in development funded by the HAF. Witnesses highlighted the expertise of these organizations, with a representative of the Regroupement des offices d’habitation du Québec advocating for the use of social and community housing developers due to their expertise with affordable housing projects and clientele.¹⁶³ Similarly, a witness from Reena pointed out that “non-profits working within their community are able to build cheaper, and when they are knowledgeable, better and faster, that is certainly the way.”¹⁶⁴ Expertise also featured in a recommendation from the Société d’habitation populaire de l’Est de Montréal that the HAF give priority to “[large social enterprises] that already have a large number of housing units and the expertise to foster the sustainability and affordability of those new units.”¹⁶⁵

The committee heard about various ways that the HAF could be organized to allow municipalities to support non-profit organizations. A witness from the British Columbia Non-Profit Housing Association recommended that the HAF reward municipalities that create the right conditions for non-profit housing development, for example, by addressing barriers related to time and cost.¹⁶⁶ Funds could also be provided for

159 [Evidence](#), 5 May 2022, 1540 (Atkey).

160 [Evidence](#), 6 June 2022, 1205 (Thorne).

161 [Evidence](#), 12 May 2022, 1655 (Rubinstein); [Evidence](#), 6 June 2022, 1110 (Thorne).

162 [Evidence](#), 6 June 2022, 1110 (Thorne). See also Invest in Hamilton, [Municipal Programs](#).

163 [Evidence](#), 6 June 2022, 1150 (Demers).

164 [Evidence](#), 13 June 2022, 1125 (Gladstone).

165 [Evidence](#), 16 May 2022, 1120 (Racette).

166 [Evidence](#), 5 May 2022, 1540 (Atkey).



organizational development within large social enterprises.¹⁶⁷ John Taylor, Mayor of the Town of Newmarket, argued that rather than focusing on municipal processes, municipalities should be funded to support housing providers such as non-profits and faith-based groups to help address financial and capacity-related barriers to building.¹⁶⁸

Zoning

It is important that the HAF provide support to address zoning-related challenges, and further, that it incentivize or support zoning changes that facilitate the supply of affordable housing and housing types that meet local needs. This section outlines general considerations related to zoning, as well as considerations pertaining specifically to inclusionary zoning.

Witnesses from the Canadian Real Estate Association and the Smart Prosperity Institute identified zoning as a barrier to creating climate-friendly and family-friendly housing,¹⁶⁹ as well as “missing middle” housing (e.g., duplexes, fourplexes, etc.).¹⁷⁰ One witness recommended that the Government of Canada condition HAF funding on the implementation of minimum zoning and regulatory changes by municipalities.¹⁷¹ The HAF could also support or incentivize zoning measures such as:

- pre-zoning¹⁷² to allow “gentle densification” (e.g., infill, mid-rise and high-rise height) and facilitate as-of-right development;¹⁷³
- rezoning from single-family zoning to multi-family zoning;¹⁷⁴

167 [Evidence](#), 16 May 2022, 1120 (Racette).

168 [Evidence](#), 16 May 2022, 1255 (Taylor).

169 [Evidence](#), 19 May 2022, 1625 (Moffatt).

170 [Evidence](#), 2 June 2022, 1700-1715 (Bourque).

171 [Evidence](#), 19 May 2022, 1625 (Moffatt).

172 “Pre-zoning” is a process by which a municipality pre-emptively zones a piece of land to allow for greater height or density, potentially facilitating “as-of-right” development for projects that exceeds the building heights or densities currently on the lot. See, for example, City of Ottawa, [Zoning Best Practices Review: Final Report](#), January 2022, pp. 28-29.

173 [Evidence](#), 12 May 2022, 1635 and 1720 (Lee).

174 [Ibid.](#)

- implementing zoning bylaws that would help speed up development of properties owned by faith communities who are willing to create affordable housing.¹⁷⁵

Inclusionary Zoning

Some witness recommendations pertained specifically to inclusionary zoning, which was mentioned in the Minister of Housing and Diversity and Inclusion’s December 2021 mandate letter as a measure that would potentially be supported by the HAF.¹⁷⁶ Generally, inclusionary zoning policies encourage or require new residential project developers to include a certain percentage of affordable housing or lower-than-market-price units. They may apply to specific targeted areas of a city and may include certain types of countervailing measures for developers (e.g., permission to develop dwellings at a higher density than normally permitted). The ratios and definitions of affordable housing vary from one policy to another.

Jill Atkey of the British Columbia Non-Profit Housing Association recommended that the HAF incentivize intensification of inclusionary zones, and John Taylor, Mayor of the Town of Newmarket, recommended “require[ing] municipalities to adopt inclusionary zoning policies,” and allowing them to use funds obtained through per-door incentives to ensure inclusionary zoning.¹⁷⁷ A written submission from Grey County suggested that the Fund “could include support for developing the framework and process to apply inclusionary zoning.”¹⁷⁸

On the other hand, Kevin Lee of the Canadian Home Builders’ Association warned that inclusionary zoning could result in “fewer market-rate housing units and an increase in the price of market-rate housing units contributing to the further erosion of affordability.” He specified that this could occur if inclusionary zoning were implemented in such a way that housing developers are expected to subsidize the cost of affordable units, resulting in costs being passed on to buyers.¹⁷⁹

175 [Evidence](#), 19 May 2022, 1640 (Braithwaite). See also [Submission](#) (Blue Door Support Services), June 2022, p. 3.

176 [Submission](#) (Habitat for Humanity Canada), 20 June 2022, p. 1; Office of the Prime Minister of Canada, [Minister of Housing and Diversity and Inclusion Mandate Letter](#), 16 December 2021.

177 [Evidence](#), 5 May 2022, 1540 (Atkey); [Evidence](#), 16 May 2022, 1225 (Taylor).

178 [Submission](#) (Grey County), 30 June 2022, p. 2.

179 HUMA, [Evidence](#), 12 May 2022, 1635 (Lee).



Fee Reductions

Another important feature in the design of the HAF is support for the reduction of fees and levies that serve as impediments to increasing housing supply (e.g., development charges, application fees).¹⁸⁰ A witness from the Smart Prosperity Institute identified levies as one of the challenges preventing the creation of climate-friendly and family-friendly housing.¹⁸¹ The Chief Executive Officer of the Rose Corporation recommended the expansion of deferral options for development charges in order to reduce rents, pointing to existing practices in the York region.¹⁸² The Chief Executive Officer of the Canadian Home Builders' Association advocated for the waiving of development taxes altogether, in the case of affordable units, so that the cost is borne by the entire tax base rather than passed on to homebuyers.¹⁸³

Property Acquisition

The committee also believes that the Fund should support public or non-profit acquisition of property—in particular, the acquisition of existing affordable rental stock or vacant/underused land—in order to support the provision of affordable rental housing.¹⁸⁴ Joshua Barndt of the Neighbourhood Land Trust stated that acquiring purpose-built rental stock to create new affordable housing supply can be cheaper and involve much shorter timelines than new construction.¹⁸⁵ He proposed that the HAF include a funding stream involving both “low-interest financing similar to the [National Housing Co-Investment Program]” and “capital grant or forgivable loan funding similar to RHI.”¹⁸⁶ He noted the importance of funding for acquisition flowing rapidly and pointed

180 [Evidence](#), 2 June 2022, 1700 (Bourque); [Submission](#) (Grey County), 30 June 2022, p. 3; [Submission](#) (Habitat for Humanity Canada), 20 June 2022, p. 2.

181 [Evidence](#), 19 May 2022, 1625 (Moffatt).

182 [Evidence](#), 12 May 2022, 1625 (Reisman). See also York Region, [Development Charges](#).

183 [Evidence](#), 12 May 2022, 1635 and 1720 (Lee).

184 [Evidence](#), 19 May 2022, 1635 (Rosborough); [Evidence](#), 13 June 2022, 1230 (Whitzman); [Evidence](#), 12 May 2022, 1620 (Armstrong); [Evidence](#), 16 May 2022, 1120 (Barndt); [Evidence](#), 19 May 2022, 1640 (Braithwaite); [Evidence](#), 6 June 2022, 1150 (Thorne); [Evidence](#), 6 June 2022, 1115 (John); [Evidence](#), 16 May 2022, 1245 (Dorais); [Evidence](#), 6 June 2022, 1145 (Demers); [Submission](#) (Grey County), 30 June 2022, p. 3.

185 [Evidence](#), 16 May 2022, 1150 (Barndt).

186 [Evidence](#), 16 May 2022, 1125 (Barndt).

to the City of Toronto’s Multi-Unit Residential Acquisition (MURA) Program as a potential model.¹⁸⁷

Similarly, Steve Pomeroy explained how non-profit acquisition of older affordable rental properties can help to maintain the affordability of those properties and protect them from financialization (i.e., rising rents due to acquisition by investors), but did not see this as the role of the HAF.¹⁸⁸

Other Considerations

In this section, the committee highlights a range of potential activities other than development that the HAF could fund or incentivize. A non-exhaustive list includes: investing in infrastructure that can help build the capacity to create housing supply (e.g., water treatment facilities, public transportation, fire and police stations);¹⁸⁹ providing housing supports (e.g., subsidizing housing units, providing rent subsidies, or providing emergency housing vouchers);¹⁹⁰ amending parking regulations (since, as a witness from the City of Hamilton explained, requirements for over-provision of parking can be a barrier to rental and affordable housing supply);¹⁹¹ and public information campaigns to address NIMBYism (“Not in my backyard”).¹⁹²

During this study, the committee heard a broad range of suggestions on activities that, if supported by the HAF, could help to accelerate the supply of the housing Canadians need. The committee believes a wide variety of municipal activities should be eligible for HAF funding—from development approval process improvements to support for property acquisition. This flexibility will allow municipalities to adopt the most effective interventions for their local context.

187 [Evidence](#), 16 May 2022, 1125 (Barndt). See also City of Toronto, [New Multi-Unit Residential Acquisition \(MURA\) Program to Protect Existing Affordable Rental Homes](#), 14 October 2021; and City of Toronto, [City of Toronto launches call for new Multi-Unit Residential Acquisition program to protect affordable housing](#), News release, 31 March 2022.

188 [Evidence](#), 19 May 2022, 1600 (Pomeroy).

189 [Evidence](#), 12 May 2022, 1615 (Hahn); [Submission](#) (Grey County), 30 June 2022, p. 3.

190 [Evidence](#), 6 June 2022, 1155 (Heron); [Evidence](#), 16 May 2022, 1235 (Collin); [Submission](#) (Grey County), 30 June 2022, p. 2.

191 [Evidence](#), 6 June 2022, 1150 (John); [Evidence](#), 6 June 2022, 1155 (Heron); [Evidence](#), 19 May 2022, 1625 (Moffatt).

192 [Evidence](#), 2 June 2022, 1715 (Morrison); [Evidence](#), 2 June 2022, 1700 (Bourque); [Evidence](#), 19 May 2022, 1720 (Rosborough); [Evidence](#), 12 May 2022, 1635 (Lee); [Submission](#) (Grey County), 30 June 2022, p. 2; [Submission](#) (Western Ontario Wardens Caucus), 23 June 2022, p. 4.



CHAPTER 5: FEDERAL LANDS INITIATIVE AND ADDITIONAL SOLUTIONS

While the HAF has a major role to play in increasing housing supply, the committee sees additional opportunities for the federal government to make progress on this goal. In this chapter, the committee outlines ways that the government can build on the FLI to support the supply of affordable housing, and points to other actions the government can take to further this goal.

Federal Lands Initiative

Similar to the HAF, the FLI aims to increase the supply of housing, including affordable housing. Although some witnesses provided positive feedback on the FLI,¹⁹³ the committee also heard about challenges related to obtaining information about the program, including details about available lands.¹⁹⁴ Recommendations in this area included Habitat for Humanity Canada’s call for a “transparent and publicly available database” of available land, and more details on the suitability of available land for affordable housing.¹⁹⁵

Affordability was a major theme in witnesses’ testimony about the FLI, with several organizations recommending that a large proportion of surplus land be made available for affordable or deeply affordable housing, or earmarked for the non-profit sector to support long-term affordability.¹⁹⁶ For example, representatives of the Association of Municipalities of Ontario recommended that the FLI be redesigned and expanded to provide land to municipal governments contingent on the creation of affordable or “missing middle” housing.¹⁹⁷ Further, the Co-operative Housing Federation of Canada recommended that the land value discount calculator used in the FLI be adjusted to make it easier for co-op and non-profit housing developers to acquire existing buildings to create affordable housing.¹⁹⁸

193 [Submission](#) (Blue Door Support Services), June 2022, p. 4; [Evidence](#), 16 May 2022, 1245 (Dorais).

194 [Evidence](#), 16 May 2022, 1245 (Dorais); [Submission](#) (Co-operative Housing Federation of Canada), 30 June 2022, p. 5; [Submission](#) (Habitat for Humanity Canada), 20 June 2022, p. 2.

195 [Submission](#) (Habitat for Humanity Canada), 20 June 2022, p. 2.

196 [Submission](#) (Habitat for Humanity Canada), 20 June 2022, pp. 2-3; [Evidence](#), 5 May 2022, 1535 and 1635 (Cyr); [Submission](#) (Regroupement des offices d’habitation du Québec), 3 June 2022, p. 7.

197 [Submission](#) (Habitat for Humanity Canada), 20 June 2022, pp. 2-3; [Evidence](#), 19 May 2022, 1635-1640 (Rosborough); [Evidence](#), 19 May 2022, 1700 (Crawford).

198 [Submission](#) (Co-operative Housing Federation of Canada), 30 June 2022, p. 2.

Witnesses advocated for changes to the FLI such as integration or stackability with other National Housing Strategy programs (including the HAF),¹⁹⁹ and the use of creative solutions, such as conversion of non-residential single-storey or low-rise buildings into housing.²⁰⁰ A witness from the Aboriginal Housing Management Association called for the government to “reconcile with [I]ndigenous people through the [FLI] by taking special consideration to allocate those properties back to the local [I]ndigenous communities where those properties are located.”²⁰¹

The committee recognizes the FLI as a valuable tool to support the development of affordable housing, and sees an opportunity to reform the program to better facilitate the rapid acquisition, and subsequent development into affordable housing units, of federal properties by municipalities and affordable housing organizations.

Additional Solutions

Beyond the HAF and the FLI, the committee sees opportunities for the federal government to take further action on increasing housing supply, both within and outside of the housing portfolio. In the section below, the committee outlines potential actions relating to existing housing programs, as well as to labour and supply chain challenges.

Witnesses made a range of recommendations pertaining to existing National Housing Strategy Programs – for instance, that the government:

- expand the Canada Housing Benefit by making it more generous and providing it to more households;²⁰²
- increase funding for the National Housing Strategy to address homelessness and housing needs among those with very low income, rather than targeting these issues through the HAF;²⁰³
- better tailor programs to meet the needs of non-profits;²⁰⁴

199 [Submission](#) (Co-operative Housing Federation of Canada), 30 June 2022, p. 2; [Submission](#) (CERA), 30 June 2022, p. 4.

200 [Submission](#) (Blue Door Support Services), June 2022, p. 4-5.

201 [Evidence](#), 13 June 2022, 1105 (Hayward).

202 [Evidence](#), 19 May 2022, 1600 (Pomeroy).

203 Ibid.

204 [Submission](#) (Develop West Prince), p. 3.



- fully fund the Urban, Rural and Northern Indigenous Housing Strategy;²⁰⁵ and
- revise the National Housing Co-Investment Fund and Rental Construction Financing Initiative to “steer [them] to genuinely affordable outcomes.”²⁰⁶ The committee is aware that an intention to reform both of these programs was announced in Budget 2022.²⁰⁷

Witnesses also discussed challenges to housing development related to labour shortages or supply chain challenges,²⁰⁸ making recommendations such as investing in the skilled trades workforce,²⁰⁹ targeting in-demand workers through the immigration system,²¹⁰ investing in productivity so more houses can be built with fewer people,²¹¹ and supporting Canadian supply chain capacity.²¹²

CONCLUSION AND RECOMMENDATIONS

Over the course of its study on the Housing Accelerator Fund, the committee heard from a range of witnesses, such as senior federal officials, municipalities, industry associations, First Nations organizations, and non-profits. Witnesses provided a wealth of information on the housing supply challenges facing Canadians, as well as options to address these through the HAF and other federal programs, including the FLI.

The committee has a number of recommendations regarding elements of the HAF’s design, the housing needs it should address, and different ways it can support municipalities in increasing housing supply. The committee has also recommended ways that the FLI and other federal housing programs can better contribute to the goals of the

205 [Evidence](#), 2 June 2022, 1725 (Morrison).

206 [Evidence](#), 13 June 2022, 1225 (Whitzman). See also [Evidence](#), 5 May 2022, 1605 (Atkey).

207 Government of Canada, [A Plan to Grow Our Economy and Make Life More Affordable](#), Budget 2022, p. 38-39.

208 See, for example, [Evidence](#), 5 May 2022, 1545 (Bond); [Evidence](#), 12 May 2022, 1650 (Lee); [Evidence](#), 12 May 2022, 1615 (Hahn); [Evidence](#), 16 May 2022, 1115 (Racette); [Evidence](#), 16 May 2022, 1135 (Barndt); [Evidence](#), 16 May 2022, 1210 (Dorais).

209 [Evidence](#), 12 May 2022, 1650 (Lee); [Evidence](#), 19 May 2022, 1640 (Braithwaite); [Submission](#) (Blue Door Support Services), June 2022, p. 3; [Submission](#) (Grey County), 30 June 2022, p. 3.

210 [Evidence](#), 12 May 2022, 1650 and 1745 (Lee); [Submission](#) (Association de la construction du Québec), 15 June 2022, p. 9.

211 [Evidence](#), 12 May 2022, 1650 (Lee).

212 [Evidence](#), 12 May 2022, 1615 (Hahn).

HAF. It is the committee's hope that these recommendations will guide the design and implementation of the Housing Accelerator Fund, as well as other actions within the federal housing portfolio, to help ensure that Canadians in every community can access housing that is adequate and affordable, now and into the future.

Recommendation 1

That all regions of Canada be eligible for Housing Accelerator Fund resources—including rural and northern communities, Indigenous communities, mid-size municipalities, and large urban centres.

Recommendation 2

That the Government of Canada build on the lessons learned from the successful rapid delivery of funding through the Rapid Housing Initiative to ensure that funding through the Housing Accelerator Fund is delivered to municipalities as quickly as possible, including to allow for the completion of time-sensitive real estate transactions.

Recommendation 3

That the Housing Accelerator Fund be as flexible as possible in order to address the diverse barriers to speeding up the construction of housing in communities across the country.

Recommendation 4

That in order to increase the depth of affordability, funding provided through the Housing Accelerator Fund be stackable with other National Housing Strategy programs—including the National Housing Co-Investment Fund, Rapid Housing Initiative, Rental Construction Financing Initiative, and the Federal Lands Initiative—as well as provincial, territorial, municipal, and Indigenous government funding programs.

Recommendation 5

That the Government of Canada coordinate with federal, provincial, territorial, municipal and Indigenous governments to achieve better alignment of policies and funding programs impacting the supply of affordable housing.

Recommendation 6

That the Canada Mortgage and Housing Corporation develop data collection mechanisms to track the impact of the Housing Accelerator Fund, including the number of net new



units created as a result of municipal zoning and development policy reforms and capacity building funded through the program and the affordability of net new units created as a result of funding allocated through the program; that this data be released publicly; and further, that the Canada Mortgage and Housing Corporation be prepared to provide updates regarding this data to the committee as the Fund is rolled out.

Recommendation 7

That the Housing Accelerator Fund be largely devoted to the acquisition, renovation, and construction of off-market affordable rental housing units.

Recommendation 8

That, as part of the implementation of the Housing Accelerator Fund, the federal government adopt an updated definition of the concept of affordable housing based on household income; and further, that the Fund account for differing definitions of affordability in Indigenous communities.

Recommendation 9

That the Government of Canada ensure that the Housing Accelerator Fund adheres to the criteria of Canada's National Housing Strategy relating to affordability, accessibility, and energy consumption and emissions.

Recommendation 10

That the Housing Accelerator Fund seek to accelerate the creation of new units by providing resources to municipalities and Conservation Authorities to improve the development approvals process with investments that support a broad list of eligible improvements that include but are not limited to the hiring of additional staff dedicated to increasing housing supply, digital e-permitting, Lean Sigma methodologies, and other automated improvements.

Recommendation 11

That the Government of Canada support municipal zoning and development policy reforms and capacity building funded through the Housing Accelerator Fund to help accelerate the construction of adequate safe and affordable housing for vulnerable populations, including women, racialized people, Indigenous people, and barrier-free housing for persons with disabilities.

Recommendation 12

That the Housing Accelerator Fund support municipalities with the goal of creating new affordable units below established price or rent targets. That the grant allow municipalities to incentivize new development by waiving or substantially lowering development fees, including, but not limited to, development charges, application fees, permits and levies, and supplementing current municipal programs (including brownfield development programs, zero-interest loans, renovate to rent programs and property acquisition programs) that incentivize the creation of new housing units.

Recommendation 13

That investments provided to municipalities to incentivize the creation of net new affordable housing units give weighted importance to funding that supports higher densities, long-term affordability, transit-oriented development, inclusionary zoning policies, climate-friendly and energy efficient units, and increasing the supply of affordable family-oriented units and deeply affordable units for women, gender-diverse people, Indigenous people, and persons with disabilities.

Recommendation 14

That the Housing Accelerator Fund support public and non-profit acquisition of vacant land and existing buildings, including rental housing stock, for the purpose of creating net-new affordable housing units.

Recommendation 15

That the Government of Canada reform the process through which vacant or unused federal properties are made available to the Canada Mortgage and Housing Corporation to be made available for the construction of affordable housing through the Federal Lands Initiative in order to ensure municipalities and affordable housing organizations are able to rapidly acquire vacant or unused federal lands and buildings in order to create affordable housing units.

Recommendation 16

That the Canada Mortgage and Housing Corporation explore options to increase the transparency of the Federal Lands Initiative to ensure stakeholders are able to access detailed information on available lands.



Recommendation 17

That the Government of Canada consider additional measures through the National Housing Strategy that will level the playing field for municipalities and non-profits in purchasing existing rental buildings and vacant land in order to protect the long-term affordability of existing rental housing stock and ensure that vacant urban land is used for the development of affordable housing where it is needed and not speculation.

APPENDIX A LIST OF WITNESSES

The following table lists the witnesses who appeared before the committee at its meetings related to this report. Transcripts of all public meetings related to this report are available on the committee's [webpage for this study](#).

Organizations and Individuals	Date	Meeting
Bâtir son quartier Edith Cyr, General Manager	2022/05/05	21
British Columbia Non-Profit Housing Association Jill Atkey, Chief Executive Officer	2022/05/05	21
City of Toronto Abigail Bond, Executive Director Housing Secretariat	2022/05/05	21
Appraisal Institute of Canada Keith Lancaster, Chief Executive Officer Andre Pouliot, President	2022/05/12	23
BILD Calgary Region Brian Hahn, Chief Executive Officer	2022/05/12	23
Canadian Home Builders' Association Kevin Lee, Chief Executive Officer	2022/05/12	23
Co-operative Housing Federation of British Columbia Thom Armstrong, Chief Executive Officer	2022/05/12	23
Federation of Canadian Municipalities Daniel Rubinstein, Senior Director Policy and Government Relations	2022/05/12	23
The Rose Corporation Sam Reisman, Chief Executive Officer	2022/05/12	23
Blue Door Support Services Michael Braithwaite, Chief Executive Officer	2022/05/16	24

Organizations and Individuals	Date	Meeting
City of Montréal Benoit Dorais, Vice-Chair of the Executive Committee	2022/05/16	24
City of Saint John John Collin, Manager Jacqueline Hamilton, Commissioner Donna Noade-Reardon, Mayor	2022/05/16	24
Société d'habitation populaire de l'Est de Montréal Jean-Pierre Racette, Manager	2022/05/16	24
The Neighbourhood Land Trust Joshua Barndt, Executive Director	2022/05/16	24
Town of Newmarket John Taylor, Mayor	2022/05/16	24
As an individual Edward Goldstein Steve Pomeroy, Consultant and Executive Advisor, Canadian Housing Evidence Collaborative, McMaster University	2022/05/19	25
Association of Municipalities of Ontario Amber Crawford, Senior Advisor Brian Rosborough, Executive Director	2022/05/19	25
Blue Door Support Services Michael Braithwaite, Chief Executive Officer	2022/05/19	25
Kaléidoscope Seth Asimakos, General Manager and Founder	2022/05/19	25
Smart Prosperity Institute Mike Moffatt, Senior Director	2022/05/19	25
Office of Infrastructure of Canada Hon. Ahmed Hussen, P.C., M.P., Minister of Housing and Diversity and Inclusion	2022/06/02	29
Association des groupes de ressources techniques du Québec Éric Cimon, Director General	2022/06/02	29

Organizations and Individuals	Date	Meeting
Canada Mortgage and Housing Corporation Romy Bowers, President and Chief Executive Officer Bob Dugan, Chief Economist Paul Mason, Senior Vice-President Client Operations	2022/06/02	29
Canadian Housing and Renewal Association Jeff Morrison, Executive Director	2022/06/02	29
Canadian Real Estate Association Michael Bourque, Chief Executive Officer	2022/06/02	29
Alberta Municipalities Cathy Heron, President	2022/06/06	30
City of Hamilton Edward John, Director Housing Services Jason Thorne, General Manager Planning and Economic Development	2022/06/06	30
Regroupement des offices d'habitation du Québec Anne Demers, General Director Coralie Le Roux, Senior Advisor	2022/06/06	30
Aboriginal Housing Management Association Celeste Hayward, Director of Operations	2022/06/13	31
Designable Environments Inc. Thea Kurdi, President	2022/06/13	31
Kanaka Bar Indian Band Patrick Michell, Chief	2022/06/13	31
Reena Gary Gladstone, Head of Stakeholder Relations	2022/06/13	31
Squamish Nation Sarah Silva, Chief Executive Officer Hiyám Housing Society	2022/06/13	31
Women's National Housing and Homelessness Network Carolyn Whitzman, Advisory Board Member	2022/06/13	31

APPENDIX B LIST OF BRIEFS

The following is an alphabetical list of organizations and individuals who submitted briefs to the committee related to this report. For more information, please consult the committee's [webpage for this study](#).

AECO Innovation Lab

Association de la construction du Québec

Blue Door Support Services

Canadian Human Rights Commission

Centre for Equality Rights in Accommodation

Co-operative Housing Federation of Canada

Develop West Prince

Grey County

Habitat for Humanity Canada

Lutheran Social Services

Municipal Information Systems Association of Ontario

National Right to Housing Network

Redwood Corporation

Regroupement des offices d'habitation du Québec

The Feminist Housing Collective

Western Ontario Wardens' Caucus

REQUEST FOR GOVERNMENT RESPONSE

Pursuant to Standing Order 109, the committee requests that the government table a comprehensive response to this Report.

A copy of the relevant *Minutes of Proceedings* ([Meetings Nos. 21, 23, 24, 25, 29, 30, 31, 32 and 33](#)) is tabled.

Respectfully submitted,

Robert J. Morrissey
Chair

3 October 2022

Supplementary Report from the New Democratic Party of Canada

The New Democratic Party heard testimony in the recent Housing Accelerator Fund Study that is not fully captured in the report from the HUMA Committee. Although the main report, captures the recommendation of many witnesses, and urges the adoption and implementation of tactics that could increase housing supply, the most urgent need in our communities is affordable housing supply. The New Democrats heard the testimony that the initial goals of the Housing Accelerator Fund missed the mark, including opportunities for affordable and off-market housing.

A key concern raised during witness testimony was the displacement of people from their current affordable housing. As new supplies replace old, too many affordable homes are being lost with no safety net for residents. We are losing affordable housing at a rate of 15:1 right now in Canada¹. New Democrats are worried about persons with disabilities, single parents and seniors who are in these housing units.²

The need for more focus on affordable housing was raised by the Federal Housing Advocate, Marie-Josée Houle, appointed in February of this year. She spoke of the human rights lens that must permeate the Housing Accelerator Fund³. The NDP also supports her call for the criteria of the national housing strategy be reflected in the Housing Accelerator Fund, including that it be accessible, affordable and green⁴.

During the Housing Accelerator Fund testimony at HUMA, numerous witnesses testified on the importance of ensuring that the supply the government builds is the *right* kind of supply⁵ addressing the needs of a variety of household sizes from single occupants to multi-generational homes, with there being a major gap in affordable rental housing.

With that importance in mind, New Democrats reiterate the recommendations made to the Minister of Housing and Diversity Inclusion on 27 June 2022 which were not included in the Committee's final report:

1. That any new housing funded through the Housing Accelerator Fund (HAF) adhere to strong affordability, accessibility and environmental standards.

¹ [Evidence](#), 5 May 2022, 1615 (Jill Atkey, Chief Executive Officer, British Columbia Non-Profit Housing Association)

² [Evidence](#), 5 May 2022, 1615 (NDP MP Bonita Zarrillo)

³ [Submission](#), (The Federal Housing Advocate), 23 June 2022, p.2.

⁴ [Submission](#), (The Federal Housing Advocate), 23 June 2022, p.3-4

⁵ [Evidence](#), 6 June 2022, 1110 (Jason Thorne, General Manager, Planning and Economic Development, City of Hamilton), [Evidence](#), 19 May 2022, 1540, ((Steve Pomeroy, Consultant and Executive Advisor, Canadian Housing Evidence Collaborative, McMaster University, As an Individual), [Submission](#) (The Federal Housing Advocate) 23 June 2022, p.5.

2. That the HAF has a clear definition of goals as it relates to affordable housing outcomes, as well as an accountability framework for results.
3. That government accelerate the creation of an Urban, Rural and Northern For Indigenous By Indigenous National Housing Authority with sufficient funding dedicated to a housing and homelessness strategy that they will develop, building housing immediately to address the housing crisis.
4. That the HAF target the creation of below-market housing.
5. That investments provided to municipalities to incentivize the creation of net new affordable housing units **and non-profit acquisitions**, and give weighted importance to funding that supports higher densities, long-term affordability, transit-oriented development, inclusionary zoning policies, climate friendly and energy efficient units, and increasing the supply of affordable family-oriented units and deeply affordable units for women, gender diverse people, Indigenous people, **youth-at-risk** and persons with disabilities.
6. That the federal government **develop** additional measures through the NHS that will level the playing field for municipalities and not-for-profits in purchasing existing rental buildings and vacant land in order to protect the long-term affordability of existing rental housing stock and ensure that vacant urban land is used for the development of affordable housing and not speculation, **including a moratorium on REIT acquisitions and creating a fund for non-profits to acquire rental apartment buildings on the market.**
7. That these measures are rolled out rapidly and launched before the end of 2023, given the urgency of the housing crisis

As the Federal Housing Advocate concluded in her submission to this study:

“If the issues raised in this submission are left unaddressed, there is a significant risk that the Housing Accelerator Fund will fail to advance the human right to housing, and the objectives of the NHSA. If I am still speaking to you about the importance of aligning NHS programs like the Housing Accelerator Fund with the NHSA when my first term as Advocate expires in three years, you will know that this initiative has been a failure.”⁶

The New Democrats encourage the Government to consider this supplementary information for the Housing Accelerator Fund.

⁶ [Submission](#), (The Federal Housing Advocate), 23 June 2022, p.10.