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and Social Development and the Status of  
Persons with Disabilities**

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**Chair**

**Mr. Dean Allison**



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

Thursday, November 5, 2009

•(1535)

[English]

**The Chair (Mr. Dean Allison (Niagara West—Glanbrook, CPC)):** Pursuant to the order of reference of Wednesday, September 30, 2009, we are considering Bill C-304, An Act to ensure secure, adequate, accessible and affordable housing for Canadians.

We will commence right now. We're working under a very tight timeline today.

I want to thank all of the witnesses in advance for being here today. We are going to start with Ms. Davies, the sponsor of the bill.

I'm going to give each witness or group seven minutes. If you'd like, I can give you the two-minute sign just to keep you on track. Then we'll go through questions and answers.

I'm not going to waste any more time, Ms. Davies. Thank you for being here today. It's your bill. You have seven minutes. The floor is all yours.

**Ms. Libby Davies (Vancouver East, NDP):** Thank you very much.

**Mr. Ron Cannan (Kelowna—Lake Country, CPC):** On a point of order, Mr. Chairman, at the last meeting, because of the number of witnesses, we had discussed allowing this whole meeting to be dedicated to witnesses, but I see that clause-by-clause has been added to the agenda.

**The Chair:** We're going to try our best to get through clause-by-clause. I realize that people have commitments at 5:30. I've talked to the sponsor of the bill, who would like us, if we can, to get to clause-by-clause today. Considering it is her bill, we will do our best to get to that.

We'll just get going and we'll see how we make out today.

**Mr. Ron Cannan:** Thanks.

**The Chair:** Keep it in mind that we need to cut this off at 5:30 because people have commitments.

Thank you, Ms. Davies. I apologize. Go ahead.

**Ms. Libby Davies:** Thank you very much, Chairperson of the committee.

To the members of the committee, thank you very much for inviting me here today to speak about Bill C-304.

To the witnesses who are here today, I can tell you that at this end of the table we're actually kind of excited, because many of us feel

that there's been a lot of work on this issue for many years in order to develop a national housing strategy, and we're hoping this bill will be the vehicle. Maybe there will be other vehicles as well, but this bill will be a key element for the federal government to undertake what we believe is a core responsibility to Canadians, and that is the right to housing affordability, safety, shelter, and human dignity.

I'm sure that members have had an opportunity to look at the bill. It did pass second reading in the House. It's based on the premise that unfortunately in this country we still have a housing crisis, a housing affordability crisis, certainly for people who live below the poverty line, but also for the working poor and for average people who are finding it harder and harder to find housing affordability.

I represent the riding of East Vancouver. It's one of the neighbourhood communities across the country that for many years now has been particularly hard hit with a housing crisis. When I was the housing critic for the NDP and did two national tours across the country, I learned that in many communities, both in large cities and in smaller communities, there are severe housing shortage issues and there's homelessness.

We have had various federal programs over the years. We've had homelessness programs and we've had emergency housing programs. Certainly in the last budget we had the infrastructure money that was provided for housing, but I would say that if you talk to anyone in Canada who knows about this issue, they will tell you it's been inadequate and it's been very piecemeal.

What's been lacking is an overall federal strategy in partnership with the provinces, territories, municipalities, first nations, and communities. That's what this bill is attempting to do. It's attempting to address the housing needs of millions of Canadians who don't have the resources or can't rely on the market for housing security.

Today a report released from the Co-operative Housing Federation of Canada said that four million Canadians, including 750,000 children, are living in core housing need. There are many other reports, and you'll hear about some of them today. Maybe the numbers are different sometimes, but we're talking in the millions in terms of the number of Canadians who are impacted.

I think some members are aware that in 2007 the UN rapporteur came to Canada, travelled across the country, looked at different housing situations in different communities, and came to the conclusion that "Canada should adopt a national strategy on affordable housing that engages all levels of government, including Aboriginal governments, Aboriginal people, civil society and the private sector".

What's interesting to note, in terms of dealing with this bill, is that it doesn't come out of thin air. It identifies a need that many organizations, on their own, with their own research, have identified. I would like to hand out a list, in both languages, of the current endorsements of the bill, if someone could pass this around. We have endorsements from municipalities across the country, for example, Vancouver, Sudbury, municipalities in New Brunswick. We have major organizations endorsing it, including: the Alliance to End Homelessness; Amnesty International; Canada Without Poverty; the Wellesley Institute, which is here today; and the MultiFaith Alliance to End Homelessness, from Toronto. There's a whole list here that you can look at of these are groups that have endorsed the bill.

In addition, I want to make the point that many other organizations independently have come to the same conclusion that we must have a national housing strategy, including the Federation of Canadian Municipalities, the Salvation Army, and Campaign 2000. These are all well-known, credible organizations. I think they're identifying something that is very evident when you visit many local communities, which is that there are still so many people living in substandard housing, housing that's too expensive, or housing that's threatened. Or people are on the street or one paycheque away from homelessness.

• (1540)

What we're saying today with this bill is that the federal government has to get beyond the piecemeal approach. What was put in the last budget was certainly welcome, but it was very clearly part of economic stimulus. It wasn't an ongoing housing program. We need to develop a national strategy and the federal government needs to take leadership on that.

This bill sets out the framework, and it's a very basic framework, for accomplishing that. It's a framework based on partnership and on identifying housing needs and setting timetables and objectives. If that can be done, we believe there will be millions of Canadians who will have some hope for the future in terms of what they can expect for their own housing security.

I'm glad we're dealing with the bill today. I certainly invite members' comments and questions, and we'll obviously hear from the other witnesses who are experts on this matter.

Thank you, Chairperson.

**The Chair:** Thank you, Ms. Davies.

I'm going to go to Mr. Gillard and Mr. Eddy, from the Canadian Housing and Renewal Association.

You have seven minutes, gentlemen.

**Mr. David Eddy (President, Canadian Housing and Renewal Association):** Thank you, Mr. Chair.

First of all, I want to say that in my day job I'm executive director of the Vancouver Native Housing Society. We provide housing for urban aboriginals in Vancouver. We have about 600 units there. All of our projects, I'm proud to say, are in east Vancouver, in Libby's constituency. I've worked in the downtown east side, what's known as Canada's poorest postal code, for 25 years. We couldn't have a better champion for social and affordable housing than Libby, so it just makes the day a little more special for me to be here.

With respect to CHRA, today we proudly released a policy paper titled "An Affordable Housing Policy for Canada". When we set out to develop this paper, we anticipated that on the day of its release we would call on Parliament to bring forward a bill like Bill C-304. We are more than pleased that instead we can focus on discussing the specific content of a bill to mandate the creation of a national housing strategy, and that the bill has passed through two of the three House votes required to send it to the Senate and eventually into law.

I'm going to turn this over to the acting executive director of the Canadian Housing and Renewal Association, Geoff Gillard, to speak on some of the specifics.

Thank you very much for allowing us to be here.

**Mr. Geoffrey Gillard (Acting Executive Director, Canadian Housing and Renewal Association):** Thank you.

First of all, I would like to congratulate members of Parliament for bringing this bill through two readings and to committee. It's really very exciting for an organization like ours to see that this has come to this point, and we're excited to be here.

I want to start by talking about just a few overarching principles we think are critical to an affordable national housing strategy. Canada's national housing strategy should support the housing system to meet the needs of all Canadians. While we are an association that focuses on the needs of Canadians with moderate and low incomes, we recognize that for all Canadians to be properly housed, it's critical that the entire system work well throughout the spectrum.

To do this, the national housing strategy must first of all be long term, taking a view 10 years and even 20 years down the road. A long-term approach would be taken in other parts of the wider infrastructure industry. While we're serving and housing Canadians in need, we're also building infrastructure, and we need a long-term view on how we implement that project.

The national housing strategy also needs to have measurable outcomes that we can monitor on an ongoing basis, thus ensuring progress towards our goals. Those outcomes or measurements need to be more than simply an accounting of the number of units we're developing. They need to relate to whether or not we're actually making progress in reducing the level of core housing need that exists.

Libby referred to the CHF Canada Dunning report that came out just today. It's unfortunate that core need isn't budging despite the efforts and the investments we're making. It's essentially the same as it was five years ago.

A national strategy, while critical, needs to continue to recognize that housing happens on the ground and that decisions around how federal and provincial and municipal dollars will be used need to be made locally. This strategy needs to connect, guide, and inform local strategy and local decision-making bodies, which will ensure the money is spent well and people are housed.

The bill does an excellent job of talking about the moral, legal, and social cases for putting a strategy in place. I want to just expand a little bit on the economic case for putting a national housing strategy in place, because that's another important consideration.

First, each home built creates a minimum of three jobs, that is, three person-years of employment, and we all know that the housing sector makes an enormous contribution to the overall Canadian economy. The affordable housing sector is an important, very active, and sizeable part of Canada's housing sector.

We should also continue to invest in existing housing to ensure that the life of that housing is extended. It's a relatively cost-effective way of providing housing. If we don't do that, housing falls out of the portfolio, so we're building up, but we're losing on the other end. We need to continue to invest in existing housing. At the same time, we need to make our housing more energy efficient. That's critical. I was pleased to see that referenced in the bill.

Cities like Vancouver and communities like Whistler continue to experience challenges in providing housing for the service sector and that the business community requires. I'll stop there with my economic case because I want to move on to a couple of other things, but affordable housing, relative to inaction on housing, is really a cost-effective strategy.

Before I run out of time, I want to comment on the specifics of the bill. First, I want to emphasize the importance of having the non-profit and private sectors engaged in the creation of a strategy when we get to the point of actually putting the strategy in place. We have a lot to contribute, and these are the people who will actually implement the strategy in the end.

Where you do specify priority groups and priority needs in the bill, we hope and encourage that it will be in the spirit of providing examples, and that it will not limit the groups and the priorities that might be identified locally in various communities, because they differ across Canada.

I would encourage you to reference barrier-free housing in paragraph 3(3)(g), where you talk about addressing homelessness through your housing strategy. Barrier-free housing, or "housing first", takes people into supportive housing right off the streets. It's where we need to focus our investments.

• (1545)

Within the national strategy, we need to have a strategy to end homelessness, and we really need to make sure that the piece around housing aboriginal people is front and centre in the strategy,

particularly for urban aboriginal populations, which are often left out of the programs.

I'll leave it there.

**The Chair:** Thank you. I know it's tough to get hours and hours of dialogue into seven minutes. You can appreciate how difficult it is for the MPs when they start asking questions.

We're going to move to Mr. Smith.

Welcome, sir. I realize that you are representing the Assembly of First Nations. The floor is yours for seven minutes.

**Mr. Dewey Smith (Senior Policy Advisor-Housing, Housing and Infrastructure Directorate, Assembly of First Nations):** Thank you very much.

I'd like to thank the members of the committee for the opportunity to present a first nation perspective on Bill C-340.

The Assembly of First Nations is a nationally representative organization of 630-plus first nation communities throughout the country. The AFN is an operational arm designed to present the views of first nations through their leaders. The message that the AFN national chief clearly presents is that our communities and leadership know we face real and daunting daily issues that require our diligence and our commitment.

But a critical look at our current environment reveals the daily pressing crisis faced by first nation leaders and communities in relation to housing. We understand the importance of a role in establishing a collaborative and inclusive condition to create real change, and that's where we see the opportunity of this bill. It's an open opportunity for dialogue that will allow the voices of people and communities to come forward.

That having been said, I will point out that there's a clear opportunity for those of common purpose to come together to define common strategies and solutions.

First nation leadership has stated the importance of representing housing interests of their first nation members whether they live on-reserve or off-reserve. There's always been a distinct barrier for first nation leadership in representing their interests in the provincial/municipal environment. If we look at the transition of people from on-reserve to off-reserve, and the problems encountered in relation to the urban environment by those who are leaving real problems on first nation reserves for real problems off-reserve, we must give credence to the fact that we need to pay attention to this transition.

We don't wish to sit by the wayside and watch strategies, policies, programs, and activities continue to be developed and created by the Government of Canada and then imposed as external interventions. Up to this point, if you take a look at the involvement of first nations in the National Housing Act, this has been going on for 50 years plus and there has never been a national strategy.

There has never been an inclusion of first nations in the development of policy, in the thinking of departments or agencies of the Government of Canada, and we would ask the fundamental question: why not? We see this bill as an opportunity to shift the thinking and say that if there is going to be a solution, there's going to be a solution that's derived from the direct involvement of first nations, which are an immediate part of the problem.

The AFN has stated in the past and continues to state today that there's a need for multilateral dialogue to discuss all housing issues found in the continuum of housing need. I guess the statement is that first nations don't expect federal departments and agencies to represent their interests in the dialogue at multilateral tables concerning the downloading of social housing to the provinces and to the municipalities without the inclusion of those who are directly involved in the problem in the first place.

We feel that we have a direct interest. It's essential that first nations be included in this multilateral dialogue with the federal government and its provincial, territorial, and municipal counterparts, and that we do not have the federal government departments and agencies acting on our behalf in relation to that dialogue.

We would like to see a strategy that lays out a comprehensive viewpoint allowing for first nation considerations and for supportive capacity development measures to achieve those considerations.

We state our full support for Bill C-304 and do so in a spirit of optimism that reflects what we know can take place if we create a collaborative environment that allows for strategies to emerge within this multi-jurisdictional environment. Again, we don't expect government departments and agencies on the federal side to represent the interests of first nations while they are excluded from the formation of the policies and strategies.

•(1550)

I'd reinforce that this has been one of the significant factors to our detriment over the last number of years. We have not been included in policy decisions in the manner in which the federal government proceeds with programs, initiatives, activities, and other efforts.

We would ask that a national strategy meet the continuum of housing needs. We know there's an effort to focus first nations on private home ownership at the expense of such things as hidden homelessness and the deterioration of the social housing portfolio. We want to make sure that we're meeting the needs for emergency shelters for the elderly and disabled, for community-owned assets, social housing stock, and rent-to-own and private home ownership.

This national strategy needs to acknowledge what secure, adequate, accessible, and affordable housing is in the first place, because what's being presented in the bill and what the function and the actions are of federal departments and agencies constitute two different things. That needs to be considered.

When we get down to steps and measures that need to be taken and that we fully support, we want to link first nation leadership to existing and emerging multilateral tables of dialogue that will result in the ability to harmonize programs and services between on-reserve and off-reserve. Currently they're distinctly separated and have no relationship with one another. I'm not sure whether that's by design or not.

We want to participate in a long-term strategy that addresses housing needs for more culturally appropriate social housing, transitional housing for women and men, second-stage housing, and mental health programs that involve directly those whom the programs are meant to serve—not policy by exclusion and not external interventions.

We want to create new relationships that allow first nations to access programs, activities, and initiatives in the off-reserve environment. It's not the people of first nations who need to access them in a community urban or rural environment; it's leadership and community that need to sit down at these multilateral dialogue tables to determine how a seamless transition can occur between on-reserve and off-reserve and to determine how the services and programs that take place can take place.

Lastly, we want to create a first nation institutional framework for housing that assists in developing appropriate capacities for sustainable housing strategies, and we want to link that framework to the off-reserve multi-jurisdictional environment.

The bottom line is that the first nation perspective is one of stepping up to the plate and saying that we want to be included, that we add value to the effort, and that a national strategy is a very fine goal and we are providing a commitment, I think, to participating and actively moving the issue forward.

I thank you for your consideration.

•(1555)

**The Chair:** Thank you very much, Mr. Smith, for being here.

We're now going to move to the Evangelical Fellowship of Canada. We have Mr. Hutchinson and Ms. Beazley.

You have seven minutes, please.

**Mr. Don Hutchinson (Vice-President and General Legal Counsel, Evangelical Fellowship of Canada):** Thank you, Mr. Chair and members of the committee, for the opportunity to speak to this bill today.

The notice from the clerk said we'd have 10 minutes, but we'll do our best to get down to seven.

The Evangelical Fellowship of Canada is the national association of evangelical Christians. The EFC's affiliates consist of 39 denominations, 125 ministry organizations and, additionally, more than 1,000 individual church congregations across the country. In general, there are estimated to be approximately four million Canadians who are evangelicals.

As Christians, we believe each person is created by God, thereby possessing inherent dignity and worth. This affirmation and respect for the life of every human being compels us to care about the people around us in our communities, our nation, and around the world.

We know it to be true that, next to government, the church is the second-largest provider of care and housing to the poor. There are hundreds of churches, ministry organizations, and street-level agencies addressing Canada's homelessness crisis in practical ways. What they do and what they know first-hand is vital to the public policy discussion on homelessness.

The EFC recognized the need for a strong voice from within the evangelical community to communicate on this issue, both on public policy and back into the evangelical community. To that end, in 2003 the EFC engaged in a partnership with leaders of significant Canadian Christian organizations that work among our nation's poor and homeless. The goal of the partnership was to create a national shared voice in advocacy and to address this question: what can we do better than what each of us is doing on our own?

At the street level, our national round table on poverty and homelessness is the product of those discussions. Although the EFC has a number of affiliates that are engaged in the development and provision of housing—

• (1600)

**The Chair:** I'm sorry to interrupt you, Mr. Hutchinson. I've asked you to fit 10 minutes into seven and now the translators are having a hard time keeping up. I need you to slow it down just a little. If you go over a little bit, we'll still let you keep going.

**Mr. Don Hutchinson:** Thanks. I'm skipping as many words as I can on the fly as well, I can assure you.

Although the EFC has a number of affiliates that are engaged in the development and provision of housing for a range of persons in need of affordable housing, this joint submission with StreetLevel will focus primarily on the needs of those who are poor and homeless.

**Ms. Julia Beazley (Coordinator, Evangelical Fellowship of Canada):** StreetLevel's membership is comprised of leaders from 13 Canadian Christian agencies that work among our nation's poor and homeless and are dedicated to addressing systemic, sociological, economic, cultural, and spiritual deficits that contribute to poverty and homelessness in Canada. Together we're representative of the many Canadian people of Christian faith who believe that the care of poor and vulnerable people of all ages is the central tenet of our faith, of good government, and of a responsible, compassionate citizenship.

We've committed significant resources to this purpose, yet we have witnessed the rise of homelessness as a crisis of disturbing proportions and of societal, systemic, and individual complexity. We believe that people who are poor and powerless by societal standards matter greatly to our nation and we offer our voice on their behalf, bringing with us, in our words, our understanding, and our experience, those who are not able to be present to speak for themselves.

One of the core purposes of StreetLevel is to move the church and government towards the creation of healthy homes for those in our Canadian community who are homeless, living on the streets in shelters, or in inadequate, insecure housing.

**Mr. Don Hutchinson:** The EFC endorses and supports this purpose. We say "church and government" because each has a unique responsibility and role to play in meeting the needs of vulnerable Canadians. These roles are so critical that the failure of either to fulfill that role and responsibility will mean that the housing and homelessness crisis in Canada will continue to worsen.

We are convinced that government, particularly the federal government, has a key role to play in leading by example in priority

and in policy. The federal government is responsible for setting the tone of who we are as a country and who we are as Canadians. It is important that the federal government establish the "30,000 foot level" vision and direction for the nation, and together with the provinces and territories, agree to standards and measures for housing adequacy and availability in Canada.

We recognize that addressing poverty and homelessness in Canada is not without its challenges. There are differing beliefs about proper specific policies and initiatives. There are jurisdictional issues and partisan sensitivities. These must be overcome. It is time to get beyond these challenges.

**Ms. Julia Beazley:** Providing Bill C-304 the study and consideration it merits is a strong step in the right direction. Canadians are waiting to hear a vision from our leaders for poverty reduction and a plan for housing in Canada.

We recognize and applaud measures taken by the federal government to direct funds towards a wide range of housing initiatives across the country. This investment is invaluable to the service providers and from those who benefit from their work, but it's time to move beyond a piecemeal approach, which is ultimately inefficient and insufficient. It's time for coordinated national action on affordable housing.

Housing is an issue that transcends jurisdictional issues. Housing and poverty affect all Canadians. There's a need, therefore, for a strategy that crosses provincial and territorial boundaries, that does not stop at the border of one city to the next, and that ensures a consistent standard of available housing from coast to coast to coast. It's unacceptable for the federal government to not take action on the grounds that housing isn't its jurisdiction.

**Mr. Don Hutchinson:** Historically, affordable housing has received funding from all levels of government as well as the efforts of charitable and not-for-profit organizations, many of them faith-based. However, it has become clear that there is a greater need for the federal government to accept the responsibility for and show leadership on the issue of affordable housing, to set the tone and the direction for the nation in the approach to this issue, and to work in collaboration with the provinces and our aboriginal neighbours to develop strategies to address this growing crisis.

Only the Prime Minister and appropriate ministers of the government of Canada are in a position to initiate the first ministers meetings that can begin the process of establishing a clear, consistent strategy for the nation and encourage the necessary action from other levels of government.

The Mental Health Commission of Canada, led by Senator Kirby, was a good example of the federal government recognizing the importance of taking leadership and initiative on what is generally viewed as a provincial issue. Bill C-304 creates an opportunity for the current government to do something similar.

When the time comes to vote on this bill at third reading, it will be important for Canadians to know that the federal government and all parties are committed to creating a legacy of social justice for all Canadians. This commitment must be expressed not only in words, but also in plans, policies, budgets, and programs that demonstrate this commitment.

•(1605)

**Ms. Julia Beazley:** As Canadians whose faith calls us to engage with the poor and homeless, we ask that the government maintain space for us to participate in the discussion and implementation of the housing strategy.

In a recent submission to the finance committee on the budget, we recommended that the government, in cooperation with the provinces, territories, and indigenous communities, establish a national housing strategy with clear targets and timelines aimed at ensuring that every resident of Canada has access to housing that is safe, healthy, dignified, and truly affordable. This bill reflects those concepts and it is an important opportunity to provide a framework within which governments can work together to address the housing needs of a range of communities.

In 2006, at the StreetLevel conference in Ottawa, we introduced a document called the “Ottawa Manifesto”. The first point says the, under “We all need homes, not just housing”:

A home is more than just four walls and a roof. It's a whole life situation that means being welcomed into a safe, secure and dignified place to live; healthy, nurturing relationships; the opportunity for education, meaningful work for reasonable pay; and to worship, dream and play in vibrant community. Housing initiatives need to take these values into account, and aim at creating far more than “affordable” space.

**Mr. Don Hutchinson:** The church is uniquely equipped and positioned to work with government in coming alongside in developing a strategy, just as we have come alongside in providing community with and for those who most benefit from affordable housing—more than a house, a home.

Poverty and homelessness are complex issues that defy a single simple solution. There is no such thing as “the homeless”. Each person who finds himself homeless or living on the streets is a unique individual with a unique story. We do a disservice when we fail to recognize this or engage in our efforts at seeking solutions to identify their needs.

The members of StreetLevel and others within the evangelical community are engaged in issues of poverty and homelessness first-hand. While we may not be able to offer all the dollars-and-cents specifics of policy development, we understand well the human currency: the complexities, realities, and roots of poverty and homelessness in human terms.

**Ms. Julia Beazley:** In conclusion, the time has come for collaborative, coordinated action in Canada on affordable housing. The government has an opportunity, in Bill C-304, to show vision and leadership in initiating the development of a strategy. We encourage all parliamentarians to seize this opportunity.

The development of the strategies should be inclusive of stakeholders from the faith- and community-based agencies. They've already engaged in the creative thinking and learning by trial and error. They know what works and what doesn't. They understand that people should be moving from street to housing to home in community, that street to housing alone will fail in the long term, and that home and community cannot be mutually exclusive.

Thank you.

**The Chair:** Thank you very much.

I'm now going to have to ask members to be equally as flexible in that we're running out of time. We're only going to have time for one round and you will each have five minutes. I want to thank you for your patience.

Mr. Kennedy, welcome to the committee.

**Mr. Gerard Kennedy (Parkdale—High Park, Lib.):** Thank you.

Well, it's more of a challenge than we would like, but first of all, to the sponsor of the bill, thank you for bringing the bill forward. We have a framework.

We are in this kind of hurry, I guess, though, are we, in terms of the chance to deal with this process-wise this afternoon rather than taking more time at other times? Is that what we want to do with the bill?

**Ms. Libby Davies:** Well, I feel there's been a lot of research and a lot of work done, so I'm very much hoping that we can consider the bill and get it back into the House, but it's the committee's decision in terms of what it does. We're here to answer everything we can.

**Mr. Gerard Kennedy:** Because the bill is meant to be a framework for a national housing strategy, there are a number of areas.... For example, subclause 3(1) says “does not compromise an individual's ability to meet other basic needs, including food, clothing and access to education”. I would assume that you wouldn't want this to be an exclusive list. Health services and recreation and so on would also be basic needs that we'd want to provide for and wouldn't want compromised by the costs of housing and so on, as they often are.

That's a question. I have a number of others. I'm wondering whether we need to address the wording in this legislation in order for it to be effective.

Go ahead, please.

**Ms. Libby Davies:** Certainly the bill is not perfect. It's one of those bills in which you could include everything. It would have a very long list. We tried to cover off basic issues. It's not exclusive to other things that need to be considered. For example, in the development of a strategy, whether it's health services....

I hope it's clear with the bill that the goal is to develop a strategy that does look at the whole person and that housing is a core element of that. I know from your work, and certainly the work I've done in my community, that unless somebody has that sense of housing security, it's really hard to get anything else done. That's a very core element.

I'd be happy if a strategy, when it's developed, as this bill hopes to accomplish, would be broad. That would be part of the discussion that takes place with the various partners.

•(1610)

**Mr. Gerard Kennedy:** Assuming the bill is the framework, then we want to make sure it will work and can be relied upon. I think the strategy matters, but it's the programs that would actually execute a strategy to start to make a difference in the lives of people. In other words, there are many other strategies that have been done, and they end up as reports and stay passively on the shelf.

This is intended to be otherwise. This is intended to be action-oriented, correct?

**Ms. Libby Davies:** It's definitely intended to develop a strategy that can be implemented, but I think, as you've heard from witnesses and through so many other reports over the years, there is simply a sense that not enough is being done and what is being done is not being done in a coordinated way. The idea that the federal government would be working in partnership with other jurisdictions, whether they be provinces, territories, first nations, the not-for-profit sector, or municipalities, is a very core element of the bill.

While we've all seen individual programs over the years, whether or not they're homelessness programs, if you talk to any one of these experts—I'm not necessarily the expert, but the folks who are here today are—I think what you'll hear from people is that those measures in and of themselves are obviously very important, but overall there is still a huge need that is not being met, partly because we haven't had that overall framework from the federal government.

That is what this bill is trying to get at. In Canada, we used to have housing programs from the federal government that the provinces and the municipalities could buy into. Much of that is gone, and now we're left with these one-off or much more piecemeal attempts, as you've heard today from some of the witnesses. We want to get beyond that and get into a strategy that actually can be implemented and will deliver the results we need.

**Mr. Gerard Kennedy:** Again, I'm just trying to understand this, because I certainly support the objective. For many of the presenters, the need is accepted, and the question is how to make this so that we do a framework that will deliver on that need and do it in a way that has the confidence of the various components, from aboriginals to municipalities.

For example, in setting objectives, would it not make sense to put in the bill some kind of commonly understood objective like core-need housing, which was presented earlier by the co-op federation, or something like that, so that we know what we're working towards? I think there seems to be fairly wide consensus that this is one generally understood need. Instead of just saying "standards and objectives", could we say something that is concrete and that we can measure progress against?

**Ms. Libby Davies:** Yes. I think that's a very good point and certainly, in a lot of its work, CMHC does talk about it and has a definition of core-need housing. In the bill, it is broader and general. I think that in the development of such a strategy—and you certainly heard from the AFN earlier—you then need to go into the detail in terms of exactly what those definitions are.

Even with core-need housing as it is defined, many people think it's actually very limited. I know there will probably be other witnesses today who will tell us that in other countries and other

jurisdictions the definitions, the variables, and the criteria that are included are much more detailed. In this bill, we didn't want to overly prescribe that, because I think that in developing the strategy it's precisely one of the issues that needs to be discussed and agreed upon with the partners.

Yes, you could say, on the one hand, that maybe this is too general, but I think that on the other hand it allows for those details to actually be really worked out in the development of a framework and a strategy. A consensus will come from that. We have certain measures in Canada. I think there are many arguments about why we should be including other criteria as well, some of which you've identified in just your own questioning.

•(1615)

**The Chair:** Thank you very much, Mr. Kennedy.

We're now going to move to the Bloc for five minutes.

[Translation]

**Mr. Yves Lessard (Chambly—Borduas, BQ):** Thank you, Mr. Chair.

First, I would like to congratulate you on this initiative, Ms. Davies. I think it is an extremely wise and necessary initiative at this time. I also want to thank our friends for accepting the committee's invitation and coming to testify to their experience and the great need to reinstitute a "Corvée-Habitation" to make sure the most disadvantaged people are better housed. Those are the people targeted.

Personally, I am with you wholeheartedly when you say that we have to change our approach. At the same time, a question arises. What is there to suggest that it will work this time? I am asking each of you the question because I think the question of housing is an aggravating factor.

As you already know, the committee is currently studying the entire problem of poverty. In 1989, the government made a commitment to reducing child poverty by 50% by 2000. That objective was not achieved, and nothing has changed. At that time, one of the recommended measures was to improve the housing situation. Criteria had already been proposed. For example, one question was what indicator could be used to determine that investment had to be made in housing. It was agreed that it would be when there was a vacancy rate below 3% in a municipality—decent, affordable housing units, because there may be some that are vacant but are neither affordable nor decent.

The government also committed to investing 50% of the cost in a "Corvée-Habitation" with a provincial contribution of 35% and 15% from the municipalities. Who could have access to that housing also had to be determined. It was decided that the people entitled to these units could not pay more than 30% of their income. So that didn't come out of nowhere. It was the result of a strategy that accompanied the study of the problem of poverty. We had a Canadian strategy. Nonetheless, starting in 1993, there was complete withdrawal of the contribution, or the funding, from the federal government for housing, right up to 2001. Not until 2001 did the federal government start to contribute again.

I have two questions. What is there to suggest that it can work this time and that the people who are responsible for enforcing the rules that are made will play the game by those rules? Also, do the criteria that were adopted at the time still apply today, for example, the 3% vacancy rate rule for decent, affordable housing? Of course the question is also for the people who are activists at the municipal level. Is the 15% contribution still realistic? Since I have been a municipal councillor myself and was involved in the issue of affordable housing, I know that it is very difficult to do with that amount.

You are changing the criteria when it comes to the 30% of income we all know, but I will come back to that if I have the time, Ms. Davies.

I had several questions, but I would like to know your opinion on that subject. What is there to suggest that it is going to succeed this time?

[English]

**The Chair:** Who wants to take on this one? That's unfortunately all the time, but we're definitely going to allow an answer.

If a couple of you want to respond, go ahead.

**Ms. Libby Davies:** I'll be very fast. I'm not sure of the specific program Monsieur Lessard is referring to with the 3% and so on. I do know that in 1989 there was a motion in the House to reduce child poverty, an objective that we haven't met.

I guess the response is that we can't give up. We have to begin somewhere, and we have to begin with a partnership between the federal government and other jurisdictions. I don't know where else to begin. It has to be clearly laid out. There have to be timelines and objectives that can be met. To do anything less than this means that we're failing Canadians and we're failing the people who are most in need.

So yes, we try, and we try again, and we keep raising this issue. That's why we're all here today, all of these organizations. This bill is responding to what has been identified out there as the reality for millions of people every day. It's our problem to solve as federal parliamentarians and as provincial, territorial, and municipal people. Certainly, Quebec has a fine record of producing social housing. I think we have much to learn from that.

All I can say is, why would it work this time? It will only work if we all agree that it should be done. I hope that's the agreement we will have. Then we will move on to the next step.

• (1620)

**The Chair:** Could I get a quick response from Mr. Smith and Mr. Gillard as well?

**Mr. Dewey Smith:** Yes, I have just a quick response to the first point, which was about what the difference is going to be in this round of thinking versus other rounds of thinking? I would suggest that there is an important consideration about policy and strategy being developed inclusively versus exclusively.

Although we've had input into dialogue, we've never been provided the opportunity to be involved in how this unfolds. If it's going to be inclusive, then the policy and strategies that are

developed come from the grassroots, from those practitioners and those service providers, those who deal with it on a day-to-day basis.

This isn't a policy and strategy that's developed in exclusion by bureaucrats and administrators who are doing something that they feel is good for the people they're dealing with. It needs to come from the bottom, not from the top.

**The Chair:** Could we have just a quick response, please?

**Mr. Geoffrey Gillard:** First, having no strategy and no policy isn't going to get us there. Having a policy and having a strategy is no guarantee, but I also point to Quebec and the example of the Solidarité 5000 logements program. I think Quebec took great pride as a province in saying that they would meet certain targets by certain dates, and they've moved toward that and they've done it. I think if those targets hadn't been set, there wouldn't have been those units and those people wouldn't have been housed.

This is no guarantee, but it's a necessary effort, and I think the measurable outcomes are a critical part of the whole thing.

**The Chair:** Thank you very much.

Ms. Leslie, welcome back to the committee. You have five minutes. All your colleagues have taken seven, so you're probably going to end up with seven as well.

**Ms. Megan Leslie (Halifax, NDP):** Thank you, Mr. Chair.

Thank you to all of you. I am so excited to be here and talking about this bill with you. I'm very pleased to see the diverse stakeholders who are here to be witnesses to this bill.

My first question is for the Canadian Housing and Renewal Association. You said that we need a federal strategy to connect, inform, and guide local strategies. We certainly know that all levels of government have contributed to various housing initiatives, but can you expand on why you think it's important for the federal government to take the lead?

**Mr. Geoffrey Gillard:** As for what we've seen, the reference was made by your colleague from Quebec to a period when there was no federal investment in new affordable housing in Canada. The experience from that period showed us that when the federal government does not invest and does not take a leadership role, many provinces follow in kind, I think, and will also pull back investment.

What we've seen is that federal leadership and federal investment spark provincial involvement, and that in turn sparks municipal involvement. Even when the requirements aren't there, municipalities will, as often as they can, step up to the table. The federal leadership is critical.

• (1625)

**Ms. Megan Leslie:** Thank you.

This is a question for the Evangelical Fellowship and StreetLevel.

CHRA mentioned that the non-profit and private sectors should be part of the process. Mr. Smith has told us that first nations of course should be part of this process. In regard to developing a strategy, I'm wondering if you have thoughts about the role of those non-profits or faith-based groups that work with people in poverty.

**Mr. Don Hutchinson:** The role of faith-based groups is vital from a number of perspectives. First, we actually already have a history of working with all three levels of government in developing several levels of housing, from shelters to transitional housing to permanent affordable housing. Second, we are also engaged across the evangelical community in particular. Several denominations are involved in developing housing, not only for those who are poor and homeless and are making their way off the street, but also for the elderly, for those who have disabilities, and for a number of categories of Canada's vulnerable.

We have a history. We have the experience that we think would be a benefit at the table in working with others, as we've done in the past.

Julia.

**Ms. Julia Beazley:** Also, I think the agencies within StreetLevel are intimately and directly involved in the lives of people living in poverty who are homeless. There's a real understanding of cause-and-effect relationships, of what it actually takes to move someone off the streets into housing, and of what those transitions need to look like. There's a good understanding, through trial and error, as I said, and through figuring out what works, of how we move people to wholeness and to a healthy home and community and all of that.

I think that sort of perspective on the housing issue is an important one for inclusion as well. Whenever you're talking about strategy, how we implement, what needs to go into this, and what it should look like, we can't necessarily do the nuts and bolts of policy, as we said, but there's a perspective that I think is really valid.

**Ms. Megan Leslie:** Thank you.

My last question is to whomever would like to answer it. This past year, the federal government said that it will actually invest \$3.57 billion in housing, so I'm wondering why this doesn't cut it. What's the difference? Is there proper accountability for where this money's going? Why would we still need a strategy if this kind of money is being invested?

**Mr. David Eddy:** Some of this money is stimulus money, so it's not going to be for the long term. In a certain way, we see housing as infrastructure. It shouldn't be contributed to in political cycles, in four-year cycles. We have to look at the long term.

One of the interesting things we're seeing now is that those formerly called the middle class are starting to creep down into being folks who can't afford housing. Many of our constituents have always been in that position. I'm sure that some of you who now have adult children know that they can't afford to buy a house in the area where they live. Vancouver is one of the most expensive housing jurisdictions on the planet, not just in Canada or North America.

This is a problem that is not going to be solved with stimulus dollars.

**Ms. Julia Beazley:** We made reference in our presentation to taking the 30,000 foot level vision; we weren't sure if the expression was 50,000 or 30,000.

I think it's great and the stimulus money is good. Directing funds towards initiatives is really good, but what's lacking is that high-level view and standard that says we're going to figure out the implementation in the different regions and municipalities.

We need that high-level view: here is a standard we can agree on together, that nobody should fall beneath, and that no province should fall beneath. We need to say we're going to agree on this and then we'll figure out the best way for implementing in the different provinces and regions. As we've all said, piecemeal may be effective in the short term in certain localities, but overall it's insufficient, and it's an inefficient way of doing things.

**The Chair:** Thank you very much.

We're going to move to our last questioner for this particular panel.

We'll have Mr. Komarnicki for five or so minutes.

• (1630)

**Mr. Ed Komarnicki (Souris—Moose Mountain, CPC):** Thank you, Mr. Chair, for your generosity. I certainly appreciate hearing from all the witnesses. There are obviously some substantive parts that we would have liked to examine a little more closely, but the time is fairly narrow so we're going to have to focus on some things that I may want to question Ms. Davies on.

What I'm hearing from you is that there needs to be a collaborative approach that takes into account the provinces, the territories, the aboriginal communities, the not-for-profit organizations, and so on.

I'm also hearing from you, Mr. Smith, that you want to have some input into what's going to happen and you want have that input listened to.

When we're seeing a national housing strategy, is it something that you see being a baseline across the country or something that establishes uniformity or common direction as opposed to piecemeal provisions varying from province to province and community to community? Do you see it having that kind of a commonality or not?

**Ms. Libby Davies:** Thank you very much for the question. As Ms. Beazley just outlined very well, I think one of the big gaps is that there isn't a sense of what the overall objective is for our housing, for the individual programs we've seen come and go. The need to have an overall framework that's based on shared objectives and targets—

**Mr. Ed Komarnicki:** It's a baseline that everybody can agree on across the country—

**Ms. Libby Davies:** Well, I don't know whether I'd call it a baseline. I think you can agree to principles and to outcomes, and then it may vary in terms of how that actually is developed within a particular jurisdiction, whether it's municipal, first nations, or provincial.

It seems to me that this is often the way partnerships are developed now through the federal government. It's not as if one size fits all, but the idea that there have to be some common objectives and those objectives might be met in different ways, I would see as part of the framework.

**Mr. Ed Komarnicki:** Let me ask you this. Let's say a province or a first nation aboriginal community indicates that it is not prepared to agree to a particular direction. Would you then accommodate that request and narrow the national strategy to be sure the objectionable portion isn't there?

**Ms. Libby Davies:** I don't think it's for me to prejudge that. The purpose of this bill is for the minister, in consultation with these various jurisdictions, to figure that out. I can tell you realistically that I can't think of any province, municipality, first nation, or jurisdiction that wouldn't want to participate if a strategy was being developed and that wouldn't want to see the kind of outcomes they could tailor to their particular environment.

Realistically, I think people would only see that as a positive, not a negative.

**Mr. Ed Komarnicki:** Would you see that strategy applied from coast to coast to coast?

**Ms. Libby Davies:** I think it should be applied to all the jurisdictions that have been noted here, so that would take us across the country. I think the situation in Quebec in terms of its unique jurisdiction is something that needs to be taken into account.

**Mr. Ed Komarnicki:** I was coming to that, because it concerns me somewhat. I think in the first hour of debate you said that you were going to seek an amendment to allow Quebec to opt out of a national housing strategy, and I think the words were "with full compensation".

But when I look at your amendment, it concerns me somewhat. I'm looking at your amendment 6 for proposed clause 3.1. It says that "the Government of Quebec may choose to be exempted from the application of this Act". That's not like totally exempted; the words I'm reading there could allow Quebec to say—and let's forget compensation for the moment—that they are going to be exempted from this particular strategy.

You're proposing that amendment. Why would you want a province to be exempted if you're going to have a national strategy?

**Ms. Libby Davies:** I'm sure that when we get to the amendment, there will be some debate on this. It's on the basis that it is recognizing the unique nature of the jurisdiction of the Government of Quebec with regard to social housing. I can tell you that anybody who knows anything about housing in this country often uses Quebec as the model of what should be done. It's really a provision we've seen in other proposals that have come before the House: to recognize the uniqueness of what happens in Quebec.

**Mr. Ed Komarnicki:** Let me be clear. Housing is a provincial jurisdiction, for every province, for all provinces. You're trying to develop a national policy that would include the agreement of the provinces, but if you have one province with the ability to say that they're exempt from the implementation of the national policy, what would prevent another province from saying that they, too, would like to be exempt from the provision of the national policy and that it

is a provincial jurisdiction? How then does it become a national policy given that the jurisdiction is provincial?

I fail to understand that. Explain that to me, if you can.

• (1635)

**Ms. Libby Davies:** First of all, I don't think it's a policy, but a framework and strategy. On that basis, I think we may well find that the Province of Quebec would be very involved in that. But given the historical nature of the role of Quebec, there are many, many initiatives that we've dealt with federally.... In fact, I was just trying to remember the name of one of the initiatives that came forward on federal-provincial-territorial arrangements, which also included this provision for Quebec and recognized the unique nature of that province. So I feel that's something—

**Mr. Ed Komarnicki:** I don't want to interrupt you, but it's a fairly important issue and I want to get one further question in.

In the amendment, you go on to say that in Quebec's case, they can be exempt from the implementation of the act, but that if there were "payments being made by the Government of Canada to provincial or territorial governments, Quebec will receive its full share of any such payments".

That would seem to be the case notwithstanding the fact Quebec would exempt itself from the national strategy. How do you rationalize that if you're looking to gain a national strategy?

**The Chair:** We're out of time, but I'll let Ms. Davies finish up quickly.

**Ms. Libby Davies:** Maybe this can be debated more when we deal with the amendment, but again, because Quebec is already doing this work, as we've seen with other programs conducted by the federal government, there is a provision whereby Quebec can continue to do its work. But there is a provision—

**Mr. Ed Komarnicki:** [*Inaudible—Editor*]...in a national strategy—

**Ms. Libby Davies:** I don't think that's the case, though. Quebec is going in the exact direction this bill is speaking to.

**The Chair:** I'm going to cut this off. We'll have to suspend for a minute to change the witnesses.

I want to thank the witnesses for being here today—

**Mr. Ron Cannan:** Mr. Chair, I just want to clarify. I think it's a real disservice to our witnesses—some of these folks have travelled all across the country from Vancouver—to have five minutes of questioning for each of them on a national strategy. I think it's a disgrace.

**The Chair:** In light of that, I don't believe that we can do clause-by-clause today. There's just not enough time.

In fairness to some of the witnesses, I'd love to have more discussions on this because it's an important topic.

I think, Ms. Davies, if it's all right, we'll go to clause-by-clause on Tuesday, because there's not enough time even with the witnesses we have, and we could have more.

**Ms. Libby Davies:** That's a safe decision.

**The Chair:** We'll be flexible, like we've learned to be. So if it's all right with the committee, I want to dismiss the legislative clerks who have been waiting around. Is that okay? Does that makes sense to the committee?

Mike.

**Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.):** That makes perfect sense.

Perhaps we could do this while we're changing the witnesses. I want to bring up the issue of the motion that we had on poverty and see if we can get a quick consensus on that, as that date is coming up.

Could I address that now?

**The Chair:** Here's what we'll do. Let's change the witnesses.

Libby, you're welcome to stay at the table if you want, whatever you'd like.

Let's talk very quickly about this. If we can come to some consensus on that, we will. If not, we'll have to suggest leaving it to afterward.

On the list I have Mr. Savage and then Mr. Lessard.

[Translation]

**Mr. Yves Lessard:** Mr. Chair, are our guests going to come back right away afterward so we can continue to ask questions?

[English]

**The Chair:** We have new witnesses coming. Depending on what the committee wants to do, I would be more than happy to bring back witnesses at another point in time. This is what we discussed.

[Translation]

**Mr. Yves Lessard:** There are other witnesses?

[English]

**The Chair:** Yes. I really believe we're going to spend a couple of weeks on this.

Mr. Savage, you have the floor, sir.

**Mr. Michael Savage:** Colleagues, we were closing in on a consensus, I think.

I'll wait until I get everybody's attention.

**The Chair:** Colleagues, let's suspend for one minute.

- \_\_\_\_\_ (Pause) \_\_\_\_\_
- 
- (1645)

**The Chair:** I would ask all the members to grab a seat again.

Mr. Savage has the floor.

Go ahead, Mike.

**Mr. Michael Savage:** Thank you very much.

We've been looking at a motion that was put forward by Tony Martin some time ago. It deals with poverty and has gone through a number of iterations. On Tuesday we were kind of closing in on a consensus as a committee, and the clerk has given us some wording.

In discussions I've had with Mr. Martin, in discussions we've had with people from around the country who are trying to deal with poverty, and in trying to make a statement to follow up on a statement in 1989—which was endorsed by all parliamentarians but on which we didn't reach a consensus—he has added a different line at the end, a line I fully support, and I hope all members of the committee can agree to it.

I don't want to hold up our witnesses who have taken time to be with us on this bill. It's my hope that we can achieve a consensus on this and pass it. If not, we'll have to figure another way to do it, Chair, but with November 24 closing in on us—this is the anniversary date—it's very important. We're going to be travelling that week.

We only have a couple of opportunities to get this through, and I think it's very important that we get it done. So I ask for the consensus of the committee, or perhaps we can have just a straight vote on it.

Thanks.

**The Chair:** I have a bunch of names now. I have Mr. Komarnicki, Ms. Chow, and Mr. Lessard.

**Mr. Ed Komarnicki:** If we want to proceed with this today, I certainly want to speak to it much further than I am right now. Further to what Mr. Savage said, we weren't closing in on a consensus. We had reached a consensus. It was a question of drafting that consensus, and when I last spoke to Mr. Martin, it remained at the consensus stage.

This is not a consensus; this is an addition of an element. For someone to vote at the moment, without doing any research or having any basis for understanding the implications and consequences of an amendment such as this, would not be appropriate at this hour. I would ask that it be deferred to another meeting.

**The Chair:** I'm just going to ask the question, then. Can we go ahead and put this on the agenda for Tuesday? We're going to clause-by-clause on Tuesday when we come back.

Go ahead in response. Then we'll go back.

**Mr. Michael Savage:** I would accept that because we do have witnesses, as long as there's a commitment from all parties that we will deal with it and have a vote with a motion at the very next meeting of this committee.

**The Chair:** We will put it on the agenda. Clause-by-clause should not take the whole meeting on the following Tuesday.

Ms. Chow.

**Ms. Olivia Chow (Trinity—Spadina, NDP):** Mr. Chair, Mr. Martin told me to come to this committee.

Yes, I was listening to the emerging consensus at the last meeting. I was listening to the discussion. What I believe occurred was that Campaign 2000 then subsequently had a meeting and insisted it was very important, that there are some timelines and some targets and that it was critically important to have that as part of the motion. What they are afraid of is a repeat of what happened 20 years ago when there was really no set percentage, etc., in the motion that was passed in the House of Commons. So they wish to have this 50% reduction by 2020.

Mr. Martin asked me to come and vote in favour of this motion that is in front of you. There is a real concern that if we delay it any further there would not be any more consensus in two weeks from now than there is now. My suggestion is that we do not defer this motion. We do have from now until 5:30. Let's attempt to see whether we can in fact deal with this motion today.

If we are not able to do so, then perhaps we may have to come back on Tuesday, not next week, but the week after. By that time, if the motion is adopted that Tuesday and is reported to the House on the Thursday, it is mightily close to November 24, and it would be terrible if we could not get some kind of statement through the House by November 24.

**The Chair:** Okay. Here's what I'm going to do right now. We have witnesses here. It's apparent that we're not going to get a consensus because of the new motion.

I'm going to suggest that the second hour on the Tuesday when we get back be devoted to this motion. In the first hour, we'll do clause-by-clause. That way, we can take care of both those things, and if we come to a resolution in the meantime, we'll still be able to report it back to the House. But we do have witnesses.

Go ahead, Mike.

•(1650)

**Mr. Michael Savage:** I agree with you on that.

The only thing I would ask is that we do this in the first hour. The clause-by-clause is not nearly as time-sensitive as this motion.

**The Chair:** Why don't we do that?

**Mr. Michael Savage:** If we can commit the first hour of our next meeting to this motion, and if Ed and my colleagues are okay with that, then let's hear our witnesses.

**The Chair:** Okay. That will be in the first hour on Tuesday.

We can get going.

I apologize to the witnesses. This is just part of what happens in our parliamentary life here.

I know you were sitting in on the last session. We're going to give you seven minutes each. I'm going to start with David Lyman.

Thank you for taking the time to be here. You have seven minutes. I'll give you the two-minute signal, if you need, and then we could across, and then start with questioning. We have right until 5:30 today.

So thank you very much, and the floor is yours.

**Mr. David Lyman (Representative, Canadian Federation of Apartment Associations):** Thank you.

It is my pleasure to be here before this committee. I thank you very much for the invitation.

The Canadian Federation of Apartment Associations, CFAA, is the national voice of Canada's private residential rental sector, advocating the interests of the industry to the Government of Canada. We represent the owners and managers of close to one million residential rental suites in Canada through 17 landlord associations across the country.

We believe that a healthy rental housing market contributes greatly to Canada's national well-being and economic prosperity. We believe that landlords, tenants, and taxpayers have a common interest in free rental markets, in fair taxation of residential rental property, in high industry standards for customer service, and in housing assistance that supports tenants' rights to choose their housing and to move when and if they please.

CFAA is in favour of the creation of a national housing strategy. Getting all interested parties, including the private housing sector, the non-profit community, and others around the table to develop a national housing strategy that helps to establish means to provide adequate housing to all Canadians would be a fine and, frankly, a necessary endeavour.

But CFAA would hope that those discussions would include how to make rental housing more affordable through tax policy changes, and more attractive through removing long-standing biases that favour home ownership over rental housing, to its detriment.

A national housing strategy must fit well as part of a broader poverty reduction strategy. In particular, the national housing strategy should include a universal entitlement to a portable housing allowance.

As proposed in the bill, CFAA supports providing financial assistance for those who are otherwise unable to afford rental housing so that they can choose the appropriate housing for themselves, whether that be in the private rental market, in the co-operative housing environment, or in a not-for-profit building.

That said, we note that CFAA is not in favour of a prescriptive housing strategy. We support making federal housing funding more flexible, not less. For instance, we believe that provinces ought to be permitted to use federal affordable housing money for portable housing allowance programs and others to address affordability issues. We believe that portable housing allowances best allow dignity and choice to low-income tenants and should be an option available for policy-makers across Canada. Better yet, portable housing allowances should be a federal-provincial program available across Canada.

Bill C-304, I suggest, appears to intend to place a particular vision for a housing strategy that may not be optimal for all communities throughout the country. I don't know what level of discussion on amendments has occurred, but for instance, there is, in paragraph 3 (3)(a) a requirement that the housing strategy ensure the availability of housing that is "not-for-profit in the case of those who cannot otherwise afford it". Whether the housing provider is for-profit or not-for-profit should not have any effect on the housing consumer.

I fear that the bill assumes that non-profit housing is a superior model to provide housing for low-income households. We disagree. For instance, portable housing allowances are often a far superior tool to assist those with low incomes.

As a further example, paragraph 3(3)(f) mandates that the strategy ensures the availability of housing that includes, among others, “mixed income not-for-profit housing cooperatives”. Now, while mixed income not-for-profit housing co-operatives may be an important component in some communities, passing a federal bill requiring and mandating that the national housing strategy ensure their presence in all communities is not optimal.

We support the provision of operating funding for housing for special needs that are not met by the private sector and of focusing government funding on building new housing for special needs. We believe that serving the needs of those with mental or physical disabilities is certainly the right thing to do, both morally and for the betterment of public policy, but CFAA is not in favour of imposing priorities throughout the country without discussion with the interested parties, such is set out in subclause 3(4).

That subsection mandates that the policy ensure priority be given to (a) those who have not had secure housing over an extended period; (b) those with special requirements specifically because of family status or size or mental or physical disability; and (c) those who have been denied housing as a result of discrimination. These are all worthy groups for some elements of priority, but the bill appears to preclude choice for other priorities: for refugee claimants, for women who may have suffered domestic abuse, or for the chronically ill who do not have a physical disability.

• (1655)

Again, it seems that we are putting the horse before the cart.

Finally, the CFAA questions the appropriateness of the definition of affordable housing as “housing available at a cost that does not compromise an individual's ability to meet other basic needs”; I would suggest that the definition ought to consider the ability of a “household” to meet its basic needs.

We also note and recommend that more appropriate and accurate measures of housing affordability be developed as part of a strategy. In particular, we suggest revision of the 30% standard for affordability to recognize that one- and two-person households can generally afford to pay somewhat more than 30% of income, while larger families may be able to afford less as a percentage, recognizing recent CMHC research which demonstrated that only one-third of households in core housing in a particular year remained in the core housing for the following two years—it may be transitional.

To wrap up, in our recommendations for a viable housing strategy, as others have brought forward, we recognize the respective roles of housing providers and social service agencies in meeting the needs of low-income or disadvantaged Canadians. That said, the obligation to address people's needs is properly on government, on voluntary charities, and on the community as a whole. It doesn't rest on landlords simply because we are providing the shelter. It's an all-encompassing element.

A viable housing strategy ought to include a universal entitlement to an affordable housing allowance, as I've mentioned, for households that cannot otherwise afford rental housing. Such a program could be delivered by the provinces in coordination, as with medicare plans, or could be delivered by the federal government for

the provinces to have a choice. It's important that housing allowances be fully portable within and between provinces. In that way, labour mobility and the economic situation of beneficiaries can be improved.

Second, the strategy must recognize that drawing private capital into the rental market is a very positive attribute of public policy, and that what is needed to do that is a rebalancing of the tax system so the tax treatment of tenants in rental housing is improved, to come closer to the favourable tax treatment provided to owner-occupiers.

New construction subsidies on special needs housing should address accessibility needs, since such needs are a growing issue and it's expensive to retrofit existing housing to universal accessibility standards.

Finally, the strategy should recognize that existing social housing can address the greatest needs if much of it is gradually converted to supportive housing or special needs housing, since substantial supports can often best be delivered in a supportive housing environment, while the private market is less well suited to do so, but is in many ways better suited to deliver only shelter for that component.

My time is probably nearing an end, so I thank you.

**The Chair:** Thank you, Mr. Lyman. You are bang on. We are just wrapping up the seven minutes. Thank you very much.

Welcome to Mr. Buda and Mr. Bates, from the Federation of Canadian Municipalities. It's good to have you here. You have seven minutes.

**Mr. Joshua Bates (Policy Advisor, Federation of Canadian Municipalities):** Thank you, Mr. Chairman,

Thanks to the committee for having us here today. I know you've heard from many witnesses already, so I'll try my best to keep my remarks brief.

First, we would like to recognize the support of all parties for a strong federal role in affordable housing and homelessness.

We'd also like to acknowledge the historic commitments recently made by the federal government towards affordable housing and homelessness initiatives. The Government of Canada has committed to renewing the affordable housing initiative, the residential rehabilitation assistance program, and the homelessness partnering strategy. These financial commitments amount to \$1.9 billion over five years. In addition, the federal stimulus plan provides \$2 billion for job creation through new investments in housing infrastructure.

The FCM welcomes these commitments, which underscore that a shared approach among all orders of government—federal, provincial, territorial, municipal, and first nation—is key to a successful housing outcome; however, more needs to be done and more can be done. The next step is to put these funding commitments on a long-term footing within a national housing strategy.

This, of course, brings us to why we are here today. The purpose of Bill C-304 is to establish a national housing strategy, which is a long-standing FCM priority. Chronic homelessness and lack of affordable housing are not just social issues; they're core economic issues. They strain the limited resources of municipal governments and undermine the economic well-being of our cities, which are the engines of national economic growth, competitiveness, and productivity.

This is why in January 2008 the FCM released its national action plan on housing and homelessness, which calls for a national housing plan led by the federal government. Today we have shared copies of this action plan with you, so I won't review the plan with you in great detail.

However, I will say that Bill C-304 is an essential component of our national action plan. In fact, in many ways, our plan goes even further than the legislation we are considering here today.

The goals in our plan are ambitious, but our action plan shows that they can be met if we commit to making housing a priority not just one year at a time, but for good. You will see that FCM's national action plan offers three alternative strategies to meet these targets. Our preferred course of action, which in fact is the mid-range option, would cost just over \$3 billion annually. This is only a marginal increase over current spending. These costs would be shared by the federal government and provincial and territorial governments, with municipalities of course also playing an active role through local housing strategies.

Experience has shown that the short-term fixes that have often characterized much of housing policy in this country have delivered much-needed assistance, but they have not fixed the problem. This is why the FCM supports a national housing strategy in Canada to establish a housing and homelessness agenda that is comprehensive, integrated, and, perhaps most importantly, in place over the long term. The FCM and municipal governments stand ready to do their part.

Thank you.

• (1700)

**The Chair:** Thank you very much, gentlemen.

We're now going to move over to Mr. Shapcott from the Wellesley Institute.

It's good to have you back again. Some of us got the chance to hear you in Toronto. I'm glad you're here for the benefit of the whole committee.

**Mr. Michael Shapcott (Director, Affordable Housing and Social Innovation, Wellesley Institute):** Thank you for the opportunity to make these submissions.

The Wellesley Institute is an independent research and policy institute. Over the last decade we've funded more than 100 research and policy projects that look at the links between housing, income, and health. I'd very much like to take you on a guided tour through those 100 reports and their detailed recommendations, but of course we don't have time to do that.

I'll simply say that what our reports clearly demonstrate is that there are clear links among poor housing, homelessness, increased illness, and premature death. Our reports also show that a good home is a basic requirement for a healthy life and that good housing knits together communities and strengthens the local and national economy.

I know that some people in this building like to tell people outside of this building in the rest of the country what to do; they like to dictate rigid policies and say, "This is what you have to do". Mr. Komarnicki, in his questioning in the earlier session as I overheard it, was getting at this point. As we read Bill C-304, it doesn't make that mistake.

What this bill does is direct the federal minister to go out and engage with the key partners to create a national housing strategy that will really work and that reflects the needs of local communities. We think that's a very important direction to take.

However, there are two groups that have inadvertently been left out, and I hope they'll be brought back in through the amendment process. These are, of course, the non-profit and the private sectors. They both have valuable expertise. They deserve to be at the table along with the various orders of government and aboriginal communities. We'd encourage the committee in its review to amend in particular subclauses 3(1), 4(1), 4(2), and 5(1) to include representatives of the non-profit and private housing sectors in those processes.

Canada, as noted in the preamble to Bill C-304, has ratified the International Covenant on Economic, Social and Cultural Rights, which includes the right to adequate housing. In February, the United Nations Human Rights Council held its first Universal Periodic Review of Canada's compliance with its international obligations, including the right to adequate housing.

The federal government formally responded, in fact, on June 9, 2009, when it accepted the UN recommendation on housing and stated, in the formal federal response: "Canada acknowledges that there are challenges and the Government of Canada commits to continuing to explore ways to enhance efforts to address poverty and housing issues, in collaboration with provinces and territories". As we read that, we see that the federal government is saying that it's about to work with the provinces and territories on housing and poverty issues.

We know that the provinces and territories have been asking the federal government for at least four years to come to the table to develop a new national housing strategy. Of course, the federal government and all the provinces and territories did sign the Affordable Housing Framework Agreement in 2001. That was a five-year agreement.

By 2005 the provinces and territories said there needed to be a new national housing framework. All of the provinces, incidentally, have joined together on that. On September 22, 2005, all of the provinces and territorial housing ministers released a set of principles to guide a new national housing framework. They put that on the table, and since 2005 there hasn't been a meeting of the federal, provincial, and territorial housing ministers.

We have a willing federal government, we have willing provinces and territories who want to discuss these things, we've heard that we have willing municipalities, the private sector wants to come and talk about these things, and the non-profit sector wants to be at the table as well. What we don't have is a mechanism or process that gets everyone together. Bill C-304 gives us that process. It also puts a nice timeline on it of 180 days and creates a sense of urgency around what is an urgent national issue.

Without a national housing strategy, as set out in the goal of Bill C-304, Canadians won't know whether the \$17.5 billion that the federal government is investing this year in various housing initiatives is being spent effectively. I repeat that: \$17.5 billion that the federal government is reporting this year that it's investing in various housing initiatives. This was actually a bit of a surprise to us when we started to do the tally.

Earlier this year, the Auditor General for British Columbia released a comprehensive review of that province's housing and homelessness programs. Some of his comments I think are relevant to your deliberations today. He said:

Clear goals and objectives for homelessness and adequate accountability for results remain outstanding... government has not yet established appropriate indicators of success....

We found significant activity and resources being applied, but...no provincial [housing] and homelessness plan with clear goals and objectives...When there are no clear goals or performance targets, accountability for results is missing. How will we know we are successful if we have not identified success?

That would be the same for the federal government. If people want it, I'd be happy to give the full shopping list of what the federal government reports it's spending. It reports that it's spending \$3.57 billion this fiscal year in direct spending on affordable housing.

• (1705)

Furthermore, the government says it's going to spend \$13.9 billion on housing-related tax expenditures: the home renovation tax credit,

capital gains exemptions, homebuyer tax subsidies, and so on. That's a lot of money. Are we getting value for results from that money? We don't know. We don't have a national plan against which to measure all the spending.

I'd say that we need a national housing strategy fundamentally to ensure that the nine million or more Canadians who are precariously housed will get the practical and pragmatic housing help that they require in their communities.

Even before the recession hit, the numbers were quite grim. I won't take the time to go through all the numbers, but the federal government says 300,000 Canadians are homeless, and we think that number is probably a bit shy of the real mark. About 3.3 million households live in substandard housing, three million households live in unaffordable housing, 1.5 million households are in core housing need, and 705,000 households are in overcrowded housing—and that was before the recession.

Since the start of the recession, half a million jobs have been lost and 150,000 households have been evicted from their homes because they couldn't afford to pay their rent. Canada's housing supply deficit, which is the gap between the number of new households formed on an annual basis and the amount of new housing that's created, is growing at an estimated rate of about 220,000 households annually.

I know the committee members will know that housing needs in Grimsby are different from what they are in Weyburn, and they're certainly different from Dartmouth, and different from Halifax, and different from Richelieu. A national housing strategy takes account of that, and it puts in place the tools and resources to ensure that the appropriate resources are available.

We have a willing federal government. Our federal government says it wants to; it told the United Nations it wants to work with the provinces and territories. The provinces and territories want to work with municipalities. The private and non-profit sectors and the aboriginal communities all want to work. We think Bill C-304 provides this mechanism to move forward, so we'd urge this committee to give swift consideration to this draft legislation so that we can move forward to the important work of debating the real details of a new national housing strategy, the kinds of things that Mr. Lyman raised. That's where we should be focusing our discussion. Are those the right kinds of tools? What other models should we be looking at?

Finally, I'd say that there's already been work at the provincial level. The provinces are not waiting for the federal government: Alberta has already made a billion-dollar down payment on its commitment to a 10-year housing plan to end chronic homelessness, and Ontario says it will have a comprehensive housing plan by midsummer of 2010. In the last decade or so, Canada's provinces, territories, and municipal governments have all significantly ramped up their affordable housing investments. They're all demonstrating that they want to be partners in housing progress.

We'd say that Bill C-304 will ensure that the federal government plays its vital role in creating this comprehensive new national housing plan.

Thank you for the opportunity to make these comments.

• (1710)

**The Chair:** Thank you, Mr. Shapcott, for being here.

We're going to start again. I asked everyone for five minutes last time and got seven, so let's just go with seven. Let's keep in mind that we're probably going to go over time a little, but let's start off again with seven minutes for each questioner.

Go ahead, Mr. Kennedy.

**Mr. Gerard Kennedy:** Mr. Shapcott, in terms of what this bill can bring, the change to improve the dynamics of housing action in the country, you said we need to have a means of bringing people together. We want that to be effective; we don't want people to meet for the sake of meeting. What do you see in the bill to make that happen, and is there anything that isn't in the bill that you would see as necessary to make it happen? You've been doing this for a little while.

For example—and I don't mean to be provocative on this point—there's nothing binding in the bill. We could meet, we could have a strategy, and no one goes to jail if we don't come up with  $x$  number of units. Because you really endorsed the idea of bringing people together, could you elaborate on why that would be helpful in terms of getting the different people into the room and coming up with some kind of joint declaration of strategy?

**Mr. Michael Shapcott:** I will confess to you, Mr. Kennedy, as a long-time housing advocate, that I've often thought that violence sometimes might be necessary, but of course you can't put a gun to people's heads. This bill, although it doesn't put a gun to people's heads, adopts basically a naming-and-shaming strategy, which is the mechanism that's often used when you can't physically coerce. What it says is that the minister has 180 days to convene a process and to report back, and that provides some political accountability, some naming and shaming.

I mentioned that the federal, provincial, and territorial housing ministers used to have a practice of meeting on an almost annual basis. Certainly after they signed the historic agreement in 2001, they did meet on an annual basis. They stopped meeting in 2005. The federal government was invited to meet in February of 2008, but the federal government decided not to attend; “declined to participate”, I think, was the wording.

In August of this year, the provincial and territorial ministers met again in St. John's. The federal minister again declined to participate in the meeting, so clearly the provinces' asking the minister to come and meet with them is not enough to get the federal government. This bill will ratchet it up a bit more. It will say to the minister that she has to report back to Parliament. Then, when the minister reports back, it will be up to you and other members of Parliament to judge whether the minister has discharged her responsibilities.

**Mr. Gerard Kennedy:** To the folks at FCM, just to be clear, you have a specific strategy that you call a national strategy. A lot of what has happened in the last number of years has been the devolving of housing responsibilities to municipalities—in certain

provinces, at least—but your strategy really does call on the federal and provincial governments to pay for it. Is that correct?

It is a balanced plan, and I think there's a lot to be learned and gained from it, but just to be clear, it is saying to the other levels or orders of government: here's what we'd like you to do. Is that correct?

**Mr. Michael Buda (Director, Policy and Research, Federation of Canadian Municipalities):** It's certainly recognized that municipalities are going to play a key role, especially as enablers and implementers. But there's no question that our position is that the property tax is not really the most efficient or effective way of raising revenue for services to people, especially redistributive services like housing. So yes, it is asking for provincial and federal engagement in such a strategy.

What it's really saying—and I think Mr. Shapcott made the case very well, and so did Mr. Lyman—is that billions and billions of federal and provincial dollars are already being spent. The problem is that the commitments are made over short-term periods and there's not always coordination between the federal and provincial commitments. So really, what our national action plan is saying, which is why I think we can be here in support of this bill, is that we need some coordination between those two. We need to move towards a long-term footing. But most importantly, we need the four orders of government and also the other key actors on this issue to come together and look at this problem, partner together, and agree on a solution that is going to include very clear targets.

I think that is going to address some of your previous questions to Mr. Shapcott around accountability. You're right that political accountability is a tricky one to harness, but setting some clear targets is going to help with that.

So our strategy isn't saying that the federal and provincial governments have to just come up with the money. It's more like, hey, you're spending a lot of what we need, and we just need to figure out how to spend it more efficiently.

• (1715)

**Mr. Gerard Kennedy:** Have any of the groups who are here—and Mr. Lyman might be able to comment on this—looked at the play of market conditions versus government programs? For example, for a period of time in Ontario—and the Federation of Apartment Associations might see it differently—the cost of rent went up by double the rate of inflation. That was when rent controls were lifted, for example.

There are other times when there have been or have not been speculation taxes. There has been overheated real estate and sometimes it has soaked up affordable housing as people have bought out cheaper housing. Is there anybody in the country who looks at it that way? Otherwise, in any national strategy that just looks at rent subsidies, or direct build, or even co-op, you're still backfilling something where different levels of government can make decisions—for example, in zoning and so on. Then you end up picking up the pieces at another level of government. I think a real strategy would have to take some of those market conditions into account.

Who has looked at that? Has anyone?

**Mr. Michael Shapcott:** If I may take a first stab at that, we had a housing economist here in Canada, Duncan MacLennan, who actually worked for the federal government for a short time but left in frustration. He's now back in Scotland. He has done detailed work along the lines you are talking about in regard to the interconnection of the various forces and looking at housing as a serious economic issue. He has done that work for the Australian government. He has done it for the U.K. government and the Scottish parliament and so on, but was never asked to do that for Canada. I think we're behind the ball on that.

In the United States, there are a lot of economists who spend a lot of time looking at that. If I may say so, Mr. Kennedy, since the recession came on, which was of course triggered by the subprime mortgage crisis and rooted in the failed housing policy of the Bush administration and the idea in the administration that everyone could become a homeowner, even people with no income and no assets.... They devised an instrument to make that work. It seemed to be good to be true and, in fact, it was too good to be true.

So a lot of work has been done by economists before and after the burst of the bubble in the United States, but we're a bit behind here in Canada. I think yours is an important question. If I understand your question properly, part of what you're asking about is how many people can comfortably be accommodated within the private ownership and rental markets and, therefore, how many we don't need to worry about, in the sense that they'll get the good housing they need. And then, what group may not be able to be accommodated within the private ownership and rental markets without some sort of support or assistance?

I'll make this final comment—and perhaps others might want to jump in—that one of the early housing experts in Canada, Humphrey Carver, from the University of Toronto, suggested in 1948 that he could see no scenario in which everyone could be accommodated within private ownership and rental markets without some form of assistance from the government. I think his observations in 1948 are certainly true today.

So part of the question is this: what does that piece look like that will deal with the people who are not able to afford either ownership or private rental housing?

**The Chair:** Thank you.

That's all the time we have.

**Mr. Gerard Kennedy:** Chair, could I have 30 seconds of your indulgence, just for the benefit of our follow-on? I also wanted to find out about intelligent regulation as part of a strategy. I'll just leave that with people and if they have something on it, they can forward it to me or the members of committee.

Thank you, Mr. Chair.

**The Chair:** Thank you.

Also, if it's all right with the committee, I'll see if we can get an extra round in afterwards, but it's going to depend on what people's schedules are like. We're not having any votes, so if the guests are okay with it, maybe we can go for an extra round.

Mr. Lessard, the floor is yours, sir, for seven minutes.

● (1720)

[*Translation*]

**Mr. Yves Lessard:** Thank you, Mr. Chair.

Thank you for being here today, gentlemen, to provide information and tell us about your experience.

To begin with, I will say to Mr. Shapcott that I tend to agree with him. To establish a housing development strategy, groups like community groups and private sector organizations, which are often the project managers, have to be able to take part in the consultation forums. They all come together. I don't remember the name exactly. It is an office for coordinating social development and social housing.

We have two programs, the provincial program and the federal program. The purpose of the federal program is to bring together proportionate amounts for cost-sharing, and it's called "Affordable Housing". In Quebec, it's called "AccèsLogis".

That coordinating office includes the municipalities. For some time, I was the representative of the Union of Quebec Municipalities. There are also private organizations, the large cities like Montreal, Quebec, Sherbrooke, Valleyfield and so on, and community groups, like FRAPRU, a very well-known group.

Where I want to get to is that at the point when we decide on a plan, based on the resources available to us, and there are also technical resource groups established in the various regions that help us, there are two major problems that sometimes arise. The biggest problem is being able to interest the private sector in developing affordable housing. In Quebec, that is the big challenge.

I would like to know the Federation's opinion when it comes to the private real estate sector. What is needed if we are to get the private sector to be more involved? I will then have a question for the Federation of Canadian Municipalities.

[*English*]

**Mr. David Lyman:** The role in affordable housing is really dual. Often people look towards the private sector in terms of asking how do we get involved with the building of new housing, but the private sector is also heavily involved with current housing. Given the whole element of filtering where people are, the aging housing stock, and the fact that people are moving from different areas and different ages or types of housing, it's crucial for the private sector to be involved. And frankly, they're interested because they own the hard assets of the housing.

For instance, when discussions come forward on Canada's aging population, there will be a shift in the desire for types of housing. Certainly the private sector is fully involved, needs to be involved, and can't avoid being involved in movements towards conversion of housing from single-family dwellings to different or mixed housing and towards keeping seniors in place and all of those items. The vast majority of Canadians are living in private housing and we're involved in that sense.

Regarding how to maintain the private sector, it's certainly important to share the information and to be receptive to discussions with the private sector. As was mentioned in the presentation, the private sector is best able to provide the shelter component of housing, and a number of municipalities are moving forward, in that how do we have government assist with the supportive elements of the broader sense of housing so as to use the private stock?

Again, to answer the question more directly of how the private sector gets involved, well, it's by making it profitable for the private sector, by demonstrating to the private sector the benefits of being involved, and frankly, because a gigantic portion of the cost of housing is borne by government, by tax policies in addition to income support policies. So we need to work with the private sector on lowering those costs so that we can provide housing that is more affordable, especially on the moderate—

• (1725)

[Translation]

**Mr. Yves Lessard:** Excuse me, Mr. Lyman. I understand the reasoning, why the public sector is involved, and so on, but for them, it has to be profitable. There may need to be more thinking put into the question of the true role to be played by the private sector in a strategy to build affordable housing; let me explain. It isn't just the preserve of the private sector. I'm thinking of the municipalities, for example. In Quebec, in the cities, the municipal housing office handles this. So the municipalities also build housing. There are also community groups that take the initiative, and they become cooperatives.

It seems that the most dynamic players in this field at present, in Quebec, are mainly the municipalities and community groups that organize housing cooperatives.

I would like to hear from the Federation of Canadian Municipalities on that point. I don't know whether it's the same everywhere, in the other provinces, but in Quebec, without that contribution from the municipalities, it would be very difficult to get new builds.

I would like to hear your thoughts on that point.

As well, do the municipalities all have the necessary resources to carry out this mandate properly?

[English]

**Mr. Michael Buda:** Our action plan certainly supports the active participation of the private, non-profit, and co-op sectors, because we recognize, as you do, that they're going to play critical roles. We believe that some of the most significant value the municipal sector can bring to this issue is to engage and coordinate all those local actors. Municipalities certainly have that ability.

What's sometimes missing is ensuring that federal and provincial regulations, including tax regulations, aren't acting as a disincentive to private or non-profit or co-operative investments in housing, and in fact that there are some incentives. There are a number of these in our action plan; obviously they fall well outside the mandate of this particular bill.

Municipalities can act as a coordinating body locally, but there is a need for federal and provincial governments to look at some of the tax incentives.

**The Chair:** Thank you very much.

We're now going to move to Ms. Leslie. You have seven minutes.

**Ms. Megan Leslie:** Thank you, Mr. Chair.

Thank you very much for your presentations. I've enjoyed them quite a bit.

I will pick up along the lines of Monsieur Lessard's questioning. This will be for FCM. We know a lot about the downloading of services to municipalities, so of course we understand why FCM would want a national housing strategy, why you're invested in having action on housing. But why is it imperative that municipalities be included? What if this were written so that it didn't actually specify that municipalities are to be a part of this framework-making process?

**Mr. Michael Buda:** I will try to say this delicately, obviously. Municipal governments have a key role as enablers, facilitators, and implementers. There's no question that a range of national policy frameworks have been developed without the participation of municipal governments. We believe the development of frameworks like the one that's being proposed in this bill will be much more effective if you draw on the expertise and the networks that local governments can bring.

Not being explicitly included and explicitly involved doesn't mean that we still couldn't get there, but we believe this will be that much more efficient and effective if we are. I tend to believe that if municipalities aren't explicitly included, the natural tendency of federal-provincial negotiations would probably not include municipal governments simply because that's the way things are normally done. We understand why. We certainly respect provincial jurisdiction in these areas. That's the first principle of anything we do.

It's not a necessity, but we think it will make the end product better. It doesn't mean we couldn't get there. I think if we're not included, the status quo will likely continue. But our point is that, you know what, it's time for a change. One of these changes is the role that cities and communities play. A range of national objectives can lead this country more effectively to positive solutions.

• (1730)

**Ms. Megan Leslie:** Thank you.

Mr. Shapcott, you presented what the federal government is currently doing on housing and you asked what the goals, objectives, and targets are and where is the accountability for results.

I have a question for you, since you do so much research in housing. Where has this worked? Where have we seen frameworks with accountability? Where have housing strategies or other types of strategies—poverty reduction strategies would be similar—worked and shown results? Where have we seen results?

**Mr. Michael Shapcott:** We have a number of examples in various parts of the world. To take some jurisdictions that are perhaps closer to Canada, Wales and Scotland, which are both quasi- or sub-national jurisdictions of the British Parliament but with some independence, have both adopted very comprehensive sets of measures around housing and homelessness. Finland is another country that has done very extensive work in housing and homelessness.

Many countries around the world have not simply ratified international treaties as Canada has done. Not just the international covenant but at least a dozen other major international treaties all recognize the right to housing that Canada has signed on to. Many other countries have actually incorporated it into their domestic laws, which Canada has failed to do, and which this legislation seeks to do, and then they've put in place programs and so on.

I point you to Alberta. It's still a work in progress, because it was only announced in the spring of this year, but Alberta has set out a plan that sets very specific targets. They're proposing 11,000 homes, which will be built over a 10-year period. They've put a specific cost to it, the provincial share of which is \$3.3 billion. They've already put in \$1 billion, this year and next year, as a down payment on it. That is a work in progress.

Finally, I would point you to Quebec. As Mr. Lessard pointed out in his questions, there's quite a well-developed structure. It's perhaps not as well resourced these days as it should be, but there's a well-developed structure at the municipal level, with technical groups that help in the development and a variety of organizations that provide oversight and advocacy, and all of this works together much more effectively.

**Ms. Megan Leslie:** Thanks.

I have one more quick question for you. What is your take on rent supplements or rent allowances?

**Mr. Michael Shapcott:** They've been used quite effectively in some situations. I could point you to situations in Toronto in which, for instance, homeless people have been taken literally from the street and put into vacant private rental housing. Literally overnight, they've moved from being homeless to being housed. In the case of one pilot project, 98% of them or something along that line—I may be wrong on the exact number—remained housed three years afterwards. So this actually works.

One of the questions from a public policy perspective is that when you look at it over the long term, the dollars could begin to add up. Studies have been done comparing rent supplements over a 10- or a 20-year period, let's say. Of course, by their nature, rent supplements increase because rents go up, so rent supplements typically tend to go up. Studies show that over a period of time they cost more than, for instance, investment in bricks-and-mortar social housing.

There's the other issue that has been identified in the United States, which relies very heavily on a particular kind of rent supplement called a section 8 subsidy. There have been economic studies on this. One of the main studies, which I'd be happy to share with the committee, looked at 93 cities in the United States and found that in fact these rent supplements inflated the rents not just of the units for which the landlord was receiving the supplement, but

for all the units. In fact, when you added up the overall increase in rents and then subtracted the amount of subsidy, tenants were still paying more money. They in fact had a negative impact on rents.

We have to look at a number of those issues to make sure when we're designing rent supplements that they don't actually have the perverse effect of inflating rents for everybody and making the situation worse for all tenants. But those are issues that can be addressed in very specific ways through looking at the various kinds of mechanisms and not expecting that rent supplements can be a long-term solution. They aren't; they're a short-term solution.

They certainly won't work in communities in Canada where there's a low vacancy rate. In the city of Toronto, there are about 5,000 vacant units; if I remember correctly, Statistics Canada reports that. If we were to provide enough rent supplements to fill every one of those vacant units, that would still just barely empty the shelters, let alone deal with the other 67,000 households on the waiting list in Toronto.

So clearly, rent supplements are not a single solution that's going to solve every problem, but they have their role as part of a comprehensive plan.

• (17:35)

**Ms. Megan Leslie:** Thank you.

**The Chair:** Thanks.

We're going to now move over to Mr. Vellacott for seven minutes.

**Mr. Maurice Vellacott (Saskatoon—Wanuskewin, CPC):** Thank you, Mr. Chair.

Off the top here, just before I get to a couple of significant areas I wanted to address that haven't been touched on per se—and at least one of them hasn't been touched on at all—and just so we don't entirely reinvent the wheel, I'll say that I know the good witnesses at our table today are probably aware of all the stuff that has been done and that has been attempted over time.

**I'm going to read something from Geoff Gillard of the Canadian Housing and Renewal Association. Back in the spring of this year, Geoff said:**

The recent 5-year renewal of the three key federal housing and homelessness programs ended more than a decade of short-term...housing funding announcements. This was a welcome shift...

Maybe it's not a 40-year plan, but I dare say that in this area most of us might agree that's a little far out the other side. We don't know what the demographics are—the birth rates and all those kinds of things. Projections could be made, but if we plan too far out then we have problems.

Maybe five years isn't quite long enough, but it's better than a couple of years or a few years at a time and that kind of thing. This gentleman, among others, was at least pleased at the recent five-year renewal.

I don't like to duplicate and overlap a lot of things, as sometimes there's a waste of efficiency that way, too, so the other thing I'd comment on here with respect to the bill is that as it's coming into force it would require the minister to "convene a conference" with provincial ministers, representatives of municipalities, and aboriginal communities in order to establish the national housing strategy.

I think it's been inferred, and maybe it's the elephant in the room here, but it's a reality that provinces and territories might be unlikely to participate in a conference with other parties. We don't know that for sure, but we know that a definite jurisdictional struggle of some sort might go on.

I'll give you an example in regard to my own riding of Saskatoon—Wanuskewin. I've just come from a huge funding announcement event there last weekend. It was significant. Several hundreds of thousands of dollars went into this. It's among Mennonite churches, for example. If you know Mennonite people, you know these folks know how to lever the dollars. They brought dollars in from their own provincial...and man, they got value for the dollar there.

In respect to what more needs to be done for the senior population, we've already had discussions with those fine people, and they are running into an issue. I am from Saskatchewan, so I'm not slighting the Saskatchewan government, but the present reality in being able to work it out in terms of advancing some of those unique housing modes that they want to do while still retaining some control of significant dollars from their contributing donor churches and so on..... They don't have that option, so we have a real rub there in terms of moving it ahead. In that situation, federal moneys won't come in until the province agrees, obviously, yet we have the provincial jurisdictional issue in which they say, "No, we will then take total control of who comes into those housing situations, even though significant moneys from you folks have come in".

You may want to comment later. That was just to highlight or point out the very huge problem in terms of the jurisdictional struggle as we're trying to help those people resolve this thing. It's not in my court or my purview; I'd like to see it taken care of, but it's for the province to deal with, and I hope it does.

As you know, there is already an established federal-provincial-territorial process in place, with rotating chairs. In addition to that, the Canada Mortgage and Housing Corporation and Human Resources and Skills Development Canada are presently conducting consultations with provinces, territories, municipalities, and stakeholders—including the private sector and aboriginal organizations, as mentioned here—in order to seek their views on how current approaches to housing could be improved to better meet the needs of Canadians.

That input goes back to the government from the established federal-provincial-territorial process. I say that simply because maybe some adjustments need to be made there. Maybe there are merits to certain aspects of the bill, but we don't need to necessarily entirely reinvent the wheel, either, when we have a process in place that the provinces, territories, and federal governments accept and when we have the input of CMHC and HRSDC as well. That's the backdrop for it.

I do want to ask something significant. I don't know if any of you at the table have backgrounds in economics or accounting or banking. That might be the way to put it. This bill says, in subclause 3(2), "The national housing strategy shall provide financial assistance, including financing and credit without discrimination, for those who are otherwise unable to afford rental housing".

● (1740)

My question is to all, or to as many as we have time to hear. Is it really a good idea to provide financing and credit to individuals who would otherwise not be eligible for such financing, particularly in respect of the good remarks that Michael made on the bubble that burst in the United States? Is this a good recipe? Is this a good thing to be entrenching right in the bill?

If this became law, the provision of credit without discrimination to all Canadians would introduce a significant financial risk to the Government of Canada. The Government of Canada, the federal government, would be liable for those defaulted loans, as I guess the U.S. was as well in that scenario, to some degree. The Government of Canada, then, being the guarantor, would either have to change conditions for our banks and lenders or provide the backup guarantee. This bill doesn't provide any threshold or test to determine how to assess whether an individual cannot otherwise afford rental housing.

I guess that's my basic question. Is it a good idea to provide financing and credit to individuals who would otherwise not be eligible for financing, with the very considerable risk involved in credit without discrimination? Where does it lead us?

**Mr. Michael Shapcott:** I'd be happy to take a stab at that.

You make some very interesting comments to frame your question. Of course, you spoke about the reality we face in Canada, which is that almost everything falls into the jurisdictional quagmire because, sadly, when the British government gave us the British North America Act of 1867, a lot of things were pretty fuzzy. Housing, in fact, is not mentioned in the BNA Act. Property is mentioned, but housing is of course more than just property.

We're not alone in this. Australia has also a federal government; however, they have come up with a mechanism to get beyond the jurisdictional struggle. They have what's called the Commonwealth-State Housing Agreement, which is a five-year agreement that provides funding.

It sets the roles of their states, which are equivalent to our provinces, and of the national government. They've been able to get beyond some of the curse of federalism that I know all of you struggle with because it's part of the reality of where Canada is. So I think there are some models that we can actually look to and say that if they can do it in Australia, then perhaps we can here in Canada.

To your question, as I read that clause I didn't see it as saying that we want to bring subprime mortgages to Canada—the NINJA mortgages, which means no income and no job or assets. I read it as speaking directly to the issue you mentioned in terms of the Mennonites.

I work with a group of Mennonites in the Kitchener area who are very actively developing homes. They find that with the patchwork of funding available from the feds, the provinces, the municipalities, and so on, they can get anywhere from 25% or 30%—sometimes 40%—of the actual construction cost, which means that for the rest of the cost they have to fund-raise or try to get private financing.

When they have gone to the banks, strangely enough, even though some banks have demonstrated in the past year a pretty bad record in terms of risk, the banks have often refused to give money to organizations that are developing non-profit housing because it doesn't fit within their business model. As I read this clause, it's not saying that we want to write a bunch of dodgy loans to people who we know aren't going to be able to pay them. That was the problem in the United States; we don't want to do that. It's saying that organizations that are providing housing should be given access to credit and that the federal government should play a role.

A friend of mine who is an economist, Hugh Mackenzie, of the Canadian Centre for Policy Alternatives, has noted that since the recession started it's increasingly hard for private sector and non-profit groups to get access to credit, but governments still can.

**Mr. Maurice Vellacott:** Michael, I'm sorry, but I have to cut you off, because I want other quick responses here. I appreciate your response to me.

**The Chair:** As a matter of fact, I'm cutting you off.

Do you want to finish your thought?

**Mr. Michael Shapcott:** I was just going to say that we're in discussion with the Province of Ontario. They've already started to open up their provincial infrastructure fund, which is called OSIFA. They've initially announced that \$500 million of it will be available as credit to non-profit housing providers to allow them to provide

housing for people who otherwise couldn't get access. I think that's the kind of innovative financing option that this clause of the bill speaks to.

• (1745)

**Mr. Maurice Vellacott:** Can I get a response from the others?

**The Chair:** You're the last questioner, so I'm wondering if we have time for more questions. Most members have gone, so you can have a quick response from somebody else and then we'll wrap it up.

**Mr. Maurice Vellacott:** Would somebody else care to respond?

Thank you, Mr. Chair.

**Mr. David Lyman:** Certainly, yes, it is an additional cost that government would bear.

Also, I'll speak very briefly on Michael's comments on rent supplements, which are different from housing allowances. Many of the problems with rent supplements, because they are agreements with specific landlords, are taken away by going with portable housing allowances. Many studies indicate that housing allowances cost significantly less over the long term, and all of them show they cost much less over the short term.

In fact, CMHC recently came out with a study showing that there aren't inflationary effects. For instance, Quebec has a good experience with housing allowances. If properly designed, they do not have inflationary effects, and I do draw the members' attention to the fact that I did include some comments on this in my material.

Again, that's just one of the additional costs where there is a role for government, I would suggest, in taking into account that the guarantees, which in essence this would be doing, would be bearing the cost. But it is a factor that absolutely needs to be considered.

**The Chair:** Thank you very much for those comments.

I want to thank the witnesses for being here today. Thank you for your time.

As I can see, we certainly could have devoted a few more meetings to this issue and maybe we'll have to look at that. During our property study we met with some of the groups and, quite frankly, it looks as if there are probably more witnesses we could hear from on this issue.

Thank you very much.

With that, I am going to adjourn the meeting.





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