House of Commons
Chambre des communes
Canada

House of Commons Standing Committee on Finance – Pre-budget Consultations 2013

This brief is submitted by:

(•) **an organization** **Organization name:** Canadian Housing and Renewal Association

or

( ) **an individual** **Name:** _____

Topic: Poor, poverty and income inequality

*Recommendation 1: Please provide a short summary of your recommendation.

The federal government should recommit its investment in social housing to protect this essential national asset. CMHC invests $1.7 billion annually in social housing for more than 600,000 households, but this funding is expiring. Although social housing providers are actively preparing for the termination of federal funding, because the rents they charge are well below market levels to accommodate the most vulnerable, many social housing providers will face shortfalls without federal reinvestment. The result is that low-income households will face higher rents or possible eviction.

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

≤$499,999

5 or more years

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

This recommendation is about maintaining an existing investment. In fact, cost-savings as a result of this recommitment would be realized over time, as individuals with secure housing have better health and fewer interactions with the criminal justice, social service and emergency systems, all of which are expensive. Taking the existing financial commitment and creating a fund for social housing providers which would support remaining operating needs and capital repairs would ensure low-income households can continue to be safely housed. This would also create jobs and support local economies

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

Social housing provides stable and affordable housing for over 600,000 low-income households throughout Canada, including seniors, immigrants, aboriginal families, lone-parent families and persons with disabilities. Social housing provides a stable and affordable source of housing in large and mid-size cities and rural and remote communities. Social housing is a particularly important source of stable housing in Canada's Northern Territories, where the cost of market housing is often out of reach for many families.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

Investing in the repair and retrofitting of social housing will boost economic growth and create jobs. Ensuring families have stable and affordable housing will mean they do not need to choose between paying the rent or buying groceries. They may then be able to invest in skills training that will help improve their circumstance and even move into housing in the private market. This will have a positive impact on economic growth because with additional income these households will then be able to consume other goods, leading to fast and positive spin-off effects.

Topic: Business taxation and regulatory issues

Recommendation 2: Please provide a short summary of your recommendation.

The federal government should put in place tax measures to support the development of market rental housing. The rental housing market, which has been the source of relatively affordable housing for many Canadians, is broken. Because there is an insufficient supply of rental housing relative to demand, rents have been pushed upwards as more families seek to occupy fewer units. Along with stagnating incomes for many, this has meant housing is increasingly unaffordable. More rental housing would increase housing affordability for Canadians at a range of income levels.

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

unknown

2 years

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

The exact cost of the recommendation would depend on the tax measures or combination of measures. However, it would not be a direct or upfront cost to the federal government, as the measures considered would be those which will manifest through the tax system.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

The construction of purpose-built rental housing which is affordable to a range of households is a critical investment if Canada is to successfully address the challenges of an aging population and one that is increasingly comprised of immigrants. As both of these groups are disproportionately likely to rent their home, if the supply of rental options doesn't increase to meet this growing demand, rents will be further pushed upwards. This will impact all population groups, but particularly seniors, many of whom are on fixed incomes, and immigrants who are focused on adapting to a new society

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

Jobs would be created and economies bolstered if rental housing was constructed, supported by federal tax measures. The construction of a new home creates four-to-six person years of direct and indirect employment. As well, skills shortages are often present in communities experiencing economic growth, which can hamper economies reaching their full potential. Skilled workers are more likely to re-locate to communities if there is decent, rental housing that is available to them.

Topic: Poor, poverty and income inequality

Recommendation 3: Please provide a short summary of your recommendation.

The federal government should make its existing investments permanent and ensure they are flexible and outcomes-focused. The Investment in Affordable Housing and the Homelessness Partnering Strategy (HPS) were renewed in budget 2013 for 5 years, which will support many households in need. These have funded the provision, construction and repair of affordable housing and has enabled communities to address homelessness. As the program parameters are renewed, these initiatives should be kept flexible and outcomes-focused. For HPS, communities should make funding decisions relative to local needs

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

$1 billion or more

5 or more years

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

The funding requested is $372 million per year (current levels), but it will leverage significant investment from other orders of government and communities. It will also produce considerable savings in other areas – including the health, criminal justice and social service systems, since individuals in stable and affordable housing are less likely to access those costly systems. The recommendation also proposes flexibility, including a recommitment of the community-based decision-making orientation of HPS under the auspices of the Community Advisory Boards/Community Entities.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

Vulnerable Canadians who are homeless or at risk of homelessness have benefitted tremendously from the supports and housing delivered by communities and funded by the federal government through the Homelessness Partnering Strategy (HPS). The Investment in Affordable Housing has enabled low-income households access to affordable, secure housing. With these investment streams a permanent feature of the federal landscape, far fewer households will be without access to the stability and security that an affordable home brings. They will be able to focus on education, employment or other goals.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

If combined with a renewed commitment for social housing (as per recommendation 1), more Canadians will have an affordable and safe home through the Investment in Affordable Housing and the supports and housing they need through the Homelessness Partnering Strategy (HPS).

Please use this page if you wish to provide more explanation about your recommendation(s).

On behalf of our members providing affordable housing to hundreds of thousands and supports to many more in communities across the country, the Canadian Housing & Renewal Association (CHRA) is appreciative of having had the opportunity to provide input on the upcoming federal budget to the House of Commons Standing Committee on Finance. While we detailed our recommendations as per the template provided by the Standing Committee, including the categorization of our recommendations, we would like to take this opportunity to emphasize that access to affordable, safe housing impacts many population groups and cuts across sectors. While our recommendations focused on the existing social housing stock, the Investment in Affordable Housing and the Homelessness Partnering Strategy were categorized as those most closely linked to the poor, poverty and income inequality, these recommendations could have just as easily been differently categorized. We know that an affordable and stable home is a prerequisite for good health, the successful settlement of immigrant families and educational achievements. We understand that a lack of affordable and suitable housing is a considerable barrier for vulnerable populations, including seniors, Aboriginal people and persons with disabilities.

Housing is also directly tied to economic growth and sustainability. Attracting skilled labour depends in large measure on the extent to which housing is affordable and accessible in a given community. There is no doubt that the construction and repair of housing creates jobs and has important economic multipliers. And the link to the environment and energy sectors is clear; the activity which has the greatest potential to produce green-focused jobs, while reducing energy use and housing costs are energy efficiency retrofits. We equally understand that the taxation system is a powerful instrument; it can encourage the private sector to develop rental housing to match growing housing needs in communities across the country, while at the same time boosting local economies.

In short, housing matters. Affordable and secure housing is the foundation of individual, community and Canada-wide health and prosperity. Because of the diversity of our members, CHRA has detailed insight into the ways in which federal investments are meeting housing needs and how additional investments can be focused so they are as effective as possible. We have concrete suggestions for the way towards a future where all Canadians can access and afford the type of housing they need to succeed, leading to a brighter future for us all.

*Please note that at least one recommendation must be provided