



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

# **NATIONAL HOUSING STRATEGY**

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

**Robert Morrissey, Chair**

**JUNE 2023  
44th PARLIAMENT, 1st SESSION**

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**Robert J. Morrissey,  
Chair**

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### **Reports from committees presented to the House of Commons**

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

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

has the honour to present its

**ELEVENTH REPORT**

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



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## SUMMARY

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Across the country, too many Canadians are unable to access affordable and adequate housing. To address this, the federal government is funding the creation and maintenance of housing supply through the \$82 billion National Housing Strategy (NHS), launched in 2017 and led by the Canada Mortgage and Housing Corporation (CMHC). Governments, housing providers, developers, and other organizations can apply for financial support through several NHS streams.

Over the course of two meetings, the House of Commons Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities (the committee) heard from CMHC officials about the administration of federal housing funding programs under the NHS. The committee also considered evidence provided to the House of Commons Standing Committee on Public Accounts as a part of that committee's study on Report 5, Chronic Homelessness, of the 2022 Reports 5 to 8 of the Auditor General of Canada to the Parliament of Canada (November 2022), as well as the February 2023 report of the Parliamentary Budget Officer entitled *Federal Program Spending on Housing in 2022*.

The committee heard that CMHC has worked to adjust programming to address changing requirements, while making continuous service improvements to meet client needs and increase efficiency. However, based on the testimony received, the committee sees the need for further action to ensure that funding is making the intended impact. In this report, the committee makes recommendations to CMHC and the Government of Canada on allocating and disbursing funding effectively; improving client experience; defining "affordability" for the purposes of the NHS and its targets; clarifying accountability for the achievement of these targets; and measuring progress.



# LIST OF RECOMMENDATIONS

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

## **Recommendation 1**

**That the Canada Mortgage and Housing Corporation ensures the allocation of National Housing Strategy funds prioritizes populations most at risk of housing need and homelessness, including through the seeking of new allocation of funds to the Rapid Housing Initiative. .... 16**

## **Recommendation 2**

**That the Canada Mortgage and Housing Corporation consider measures to enhance the implementation of the Government of Canada’s commitment to a human rights-based housing policy through its delivery of National Housing Strategy programs..... 16**

## **Recommendation 3**

**That the Canada Mortgage and Housing Corporation ensures the National Housing Co-Investment Fund addresses the needs across all regions of Canada. .... 17**

## **Recommendation 4**

**That, with a view to facilitating the creation of affordable housing units under the National Housing Co-Investment Fund and the Rapid Housing Initiative, the Canada Mortgage and Housing Corporation:**

- assess the impact of current per-unit funding caps on the viability of projects in the context of elevated construction and borrowing costs, and with consideration for different types of organizations; and**
- lift the current maximum available funding per unit for the National Housing Co-Investment Fund. .... 19**

**Recommendation 5**

**That the Canada Mortgage and Housing Corporation continue to improve the support to applicants, including by making improvements to application processes for funding under the National Housing Strategy, with a view to improving the frequency and transparency of communication with applicants, simplifying and clarifying language in program applications, and clarifying what exactly is expected from applicants at each stage of the application process..... 25**

**Recommendation 6**

**That the Canada Mortgage and Housing Corporation track the end to end processing timelines, beginning with the application date to the disbursement of funds, including key steps in the process with a view of setting goals for improvement, and that process improvement goals be established within six months of this report and be included in annual reports going forward..... 25**

**Recommendation 7**

**That the Canada Mortgage and Housing Corporation publicly report on the proportion of units funded under the National Housing Strategy, by program and by province and territory, and overall total, that meet the affordability criteria for each National Housing Strategy program and that cost less than 30% of the occupying household’s before-tax income. .... 28**

**Recommendation 8**

**That the Canada Mortgage and Housing Corporation review the affordability criteria for different programs under the National Housing Strategy, with a view to ensuring that the proportion of affordable housing units created, and the level of affordability of those units, adequately reflects the needs of people in Canada and meets the needs of people in core need..... 28**

**Recommendation 9**

**That the Canada Mortgage and Housing Corporation assess the impact of its programs on vulnerable groups at all stages of its National Housing Strategy initiatives. .... 29**

**Recommendation 10**

**That the Canada Mortgage and Housing Corporation provide a detailed assessment of the effectiveness of each bilateral agreement with the provinces and territories. That the assessment include recommendations to improve the existing agreements with the purpose of leveraging additional affordable housing supply with provincial and territorial partners. .... 30**

**Recommendation 11**

**That the Government of Canada, as soon as is feasible, and before December 2023, clarify accountability at the federal level for achieving the Government of Canada’s homelessness reduction target (namely, the reduction of chronic homelessness by 50% by 2027–2028); and further, that it ensure sufficient programming is in place to achieve this target..... 31**

**Recommendation 12**

**That in order to reach the Government of Canada’s own target of reducing chronic homelessness by 50% by 2027–2028, that the Government of Canada show leadership by taking a whole of government approach, in collaboration with provinces and territories, to ensure wrap around services and other supports are made available to the those in need, and report back to the committee no later than December 2023 on a plan on how the government will achieve this goal. .... 31**

**Recommendation 13**

**That to ensure the Government of Canada meets its own target of reducing chronic homelessness by 50% by 2027–2028 that the Government of Canada take a whole of government approach, in collaboration with provinces and territories, to this directive and report back to the Committee no later than December 2023 on a plan on how the government will achieve this goal..... 31**

**Recommendation 14**

**That the Canada Mortgage and Housing Corporation report back to the Committee on how the specific targets established for the National Housing Strategy will fail to meet the government’s overall vision for the National Housing Strategy that everyone in Canada has a home that they can afford that meets their needs and indicate what corrective action is needed by the Federal government to meet this public policy. .... 31**

**Recommendation 15**

**That the Canada Mortgage and Housing Corporation continue to work with Statistics Canada to improve the availability of disaggregated data on who is served by units funded under the National Housing Strategy, including people at risk of experiencing homelessness and other target populations identified during the application stage, as well as who ultimately occupies the unit..... 35**



# NATIONAL HOUSING STRATEGY

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## INTRODUCTION

Across the country, too many Canadians are caught in a housing affordability crisis and are unable to access affordable and adequate housing.<sup>1</sup> Canada is facing significant housing supply and affordability challenges, with a need for 3.5 million more housing units by 2030.<sup>2</sup> To address this problem, the federal government is funding the creation and maintenance of housing supply through the \$82 billion National Housing Strategy (NHS), launched in 2017 and led by the Canada Mortgage and Housing Corporation (CMHC or the Corporation). Governments, housing providers, developers, and other organizations can apply for financial support through different funding streams.

On 21 November 2022, the House of Commons Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities (HUMA, or the committee) adopted the following motion:

That, pursuant to Standing Order 108(2), the committee invite officials from Canada Mortgage and Housing Corporation [CMHC] to appear for two two-hour meetings in order to provide an update on the rollout of National Housing Strategy programs and answer questions regarding the administration of federal housing funding programs under the National Housing Strategy, including questions regarding service standards, client satisfaction, and processing timelines for the National Housing Strategy funding applications; that the committee report its findings and recommendations to the House; and that pursuant to Standing Order 109, the committee request that the government table a comprehensive response to the report.<sup>3</sup>

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1 The Canada Mortgage and Housing Corporation (CMHC) defines “adequate housing” as housing that is not in need of major repairs (such as “defective plumbing or electrical wiring, or structural repairs to walls, floors, or ceilings”). “Affordable housing” refers to housing that costs less than 30% of a household’s before-tax income. CMHC, [Identifying core housing need](#). Note that affordability criteria for different National Housing Strategy programs are discussed in more detail later in this report, in the section entitled “Defining Affordability.”

2 House of Commons, Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities (HUMA), [Evidence](#), 17 February 2023, 1010 (Paul Mason, Senior Vice-President, Client Solutions, CMHC).

3 HUMA, [Minutes of Proceedings](#), 21 November 2022.



This report draws on testimony received from CMHC officials over the course of two meetings, as well as supporting information submitted by CMHC in writing. Further, pursuant to a motion adopted by the committee on 17 February 2023,<sup>4</sup> the report also examines evidence provided to the House of Commons Standing Committee on Public Accounts (PACP) on 29 November 2022, as a part of that committee’s study on Report 5, *Chronic Homelessness*, of the *2022 Reports 5 to 8 of the Auditor General of Canada* (November 2022);<sup>5</sup> as well as the February 2023 report of the Parliamentary Budget Officer entitled *Federal Program Spending on Housing in 2022*.<sup>6</sup>

This report provides an overview of some of the major programs and spending under the NHS along with a discussion of the key issues related to their administration, including allocating and disbursing funding effectively, and improving client experience. In addition, it explores challenges and potential solutions related to housing and homelessness targets under the NHS, including defining “affordability” for the purposes of these targets; clarifying accountability for the achievement of the targets; and measuring progress. The committee also provides recommendations directed to CMHC and the Government of Canada.

## BACKGROUND INFORMATION

This section of the report provides a breakdown of objectives, spending and key programs under the NHS. It also provides information on Reaching Home: Canada’s Homelessness Strategy, which supports the goals of the NHS.

### About the National Housing Strategy

#### Background and Objectives

The NHS is a 10-year, \$82 billion strategy launched by the federal government in 2017 and administered by CMHC. During her appearance before HUMA on 5 December 2022, Romy Bowers, President and Chief Executive Officer of CMHC, provided the following summary of the NHS:

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4 HUMA, *Minutes of Proceedings*, 17 February 2023.

5 House of Commons, Standing Committee on Public Accounts (PACP), *Minutes of Proceedings*, 29 November 2022.

6 Office of the Parliamentary Budget Officer (OPBO), *Federal Program Spending on Housing in 2022*, 16 February 2023.

This 10-year plan is Canada's first national, comprehensive strategy to address housing unaffordability. It includes a suite of programs designed primarily to create more housing supply. It focuses first and foremost on the most vulnerable Canadians. But it covers the continuum of housing, for example shelters, community housing, market rentals and home ownership.<sup>7</sup>

In addition to its overarching vision statement—that Canadians have housing that meets their needs and they can afford<sup>8</sup>—the NHS also has a range of specific objectives, including the significant reduction (or elimination) of housing need for as many as 530,000 households, the creation of 160,000 new housing units, and a 50% reduction in chronic homelessness by 2027–2028. The specific targets of the NHS are discussed in more detail in the final section of this report, “Measuring Progress.”

## Spending

While the NHS was initially introduced in 2017 as a \$40 billion plan<sup>9</sup> (almost double the amount spent on housing programs through CMHC in the decade before),<sup>10</sup> subsequent announcements have increased the funding commitment to at least \$82 billion, as estimated by the federal government.<sup>11</sup> In a February 2023 report, *Federal Program Spending on Housing in 2022*, the Office of the Parliamentary Budget Officer (OPBO) estimated that, accounting for “announcements from Budget 2022, the 2022 Fall and Economic Statement, amounts associated with NHS programs in 2028–2029, and updates to actual and planned spending provided by CMHC,” NHS funding commitments to date amount to \$89.4 billion. The OPBO provides a breakdown for this figure, indicating that it consists of:

- \$45.9 billion in budgetary spending;<sup>12</sup>
- \$35.8 billion in new and existing loan authorities; and

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7 HUMA, *Evidence*, 5 December 2022, 1535 (Romy Bowers, President and Chief Executive Officer, CMHC).

8 CMHC, *Canada's National Housing Strategy*, p. 5.

9 *Ibid.*, p. 4.

10 According to the OPBO, in the ten years before the National Housing Strategy was introduced (2008–2009 to 2017–2018), the federal government spent a total of \$23.3 billion on assisted housing through CMHC programs. OPBO, *Federal Program Spending on Housing in 2022*, 16 February 2023, p. 8.

11 CMHC, *What is the strategy?*

12 In general, budgetary spending includes items such as operating and capital expenditures, transfer payments and subsidies to other levels of government or organizations (such as grants, contributions or other types of payment), and the cost of servicing the public debt.



- \$7.7 billion in provincial and territorial spending through cost-matching.<sup>13</sup>

Information on spending by specific NHS program is provided in the section below.

## Key Programs

The NHS includes a multitude of initiatives, grouped by CMHC into four main categories, for programs that:

- create new housing supply;
- modernize existing housing;
- provide resources for community housing providers; and
- drive innovation and research.<sup>14</sup>

The committee's study focused largely on programs that create new housing supply and modernize existing housing, summarized in Tables 1 and 2 below.

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13 OPBO, [Federal Program Spending on Housing in 2022](#), 16 February 2023, p. 6.

14 CMHC, [National Housing Strategy Initiatives](#).

**Table 1—Summary of Select National Housing Strategy Programs that Create New Housing Supply**

Program	Objective	Funding	Details	Number of Units
<b>The National Housing Co-Investment Fund: Construction</b>	To construct new affordable housing units <sup>1</sup>	\$13.7 billion over 10 years (total, with the Housing Repair and Renewal stream, discussed below)	Provides low-interest loans and contributions, prioritizing partnerships between governments non-profits, the private sector and other partners	Target: 60,000 Committed to date: 28,985
<b>The Rental Construction Financing Initiative</b>	To encourage construction of sustainable rental apartment projects <sup>2</sup>	\$25.75 billion over 11 years	Provides low-cost funding for developing rental apartments	Target: 71,000 Committed to date: 39,682
<b>The Rapid Housing Initiative</b>	To create new units of permanent affordable housing for people in vulnerable situations <sup>3</sup>	\$2.5 billion through the two rounds of funding completed to date	Divided into two streams: 1. Projects Stream, for provinces, territories, municipalities, Indigenous bodies and organizations, and non-profit organizations 2. Cities Stream, for 41 selected municipalities <sup>4</sup>	Target: 7,500 Committed to date: 10,254
<b>Federal Lands Initiative</b>	To make surplus federal lands and buildings available for development into affordable housing units <sup>5</sup>	\$200 million over 10 years	Supports the transfer of surplus federal lands and buildings, available at a discounted or no cost to be developed or renovated for affordable housing	Target: 4,000 Committed to date: 3,916

Sources: Table prepared based on information from Canada Mortgage and Housing Corporation (CMHC), [Progress on the National Housing Strategy](#), December 2022; CMHC, [National Housing Co-Investment Fund](#); CMHC, [Rental Construction Financing Initiative](#); CMHC, [Rapid Housing Initiative—Highlight Sheet](#); CMHC, [Federal Lands Initiative](#).

Notes:

1. The National Housing Co-Investment Fund identifies projects to be “affordable” if at least 30% of a project’s units are less than 80% of the median market rent for a minimum of 20 years.
2. The Rental Construction Financing Initiative includes “energy efficiency” as a requirement for funded projects, which is defined as being a minimum of 15% more efficient in energy consumption and green house gas emissions than the National Building Code standard.



3. The Rapid Housing Initiative requires all of a project’s units to have rent no more than 30% of gross income, for a minimum of 20 years. It identifies “vulnerable” people as being women and children fleeing domestic violence, seniors, young adults, Indigenous peoples, people with disabilities, people dealing with mental health and addiction issues, veterans, 2SLGBTQIA+ people (two-spirit, lesbian, gay, bi-sexual, transgender, queer, intersex, and asexual), racialized groups, recent immigrants, refugees, and people experiencing or at risk of homelessness.
4. The list of the select municipalities can be found in the news release for the launch of the third round of funding, CMHC, [Canada launches third round of Rapid Housing Initiative](#).
5. Surplus federal property is federal property that has been identified as no longer needed, and determined as suitable for use as affordable housing. The Federal Lands initiative requires that 30% of units be less than 80% of market rent for a minimum of 25 years.

**Table 2—Summary of Select National Housing Strategy Programs that Modernize Existing Housing**

Program	Objective	Funding	Details	Number of Units
<b>The National Housing Co-Investment Fund: Housing Repair and Renewal</b>	To renovate and repair existing buildings for affordable housing <sup>1</sup>	\$13.7 billion over 10 years (total, with the New Construction stream, discussed above)	Provides low-interest loans and contributions to renovate and repair affordable and community housing, prioritizing partnerships between governments, non-profits, private sector and other partners	Target: 240,000 Committed to date: 111,752
<b>The Affordable Housing Innovation Fund</b>	To support new ideas to evolve the affordable housing sector <sup>2</sup>	\$208.3 million over 5 years	Supports the creation of new units that use innovative business approaches and building techniques, including retrofits	Target: 4,000 Committed to date: 19,100

Sources: Table prepared based on information from Canada Mortgage and Housing Corporation (CMHC), [Progress on the National Housing Strategy](#), December 2022; CMHC, [National Housing Co-Investment Fund](#); CMHC, [Affordable Housing Innovation Fund](#).

Notes:

1. The National Housing Co-Investment Fund identifies projects to be “affordable” if at least 30% of a project’s units are less than 80% of the median market rent for a minimum of 20 years.
2. The Affordable Housing Innovation Fund defines affordability as based on the affordability criteria of the municipality in which the project is located, and the project is required meet this criteria for at least 10 years.

In addition, the federal government has committed to the “co-development and implementation with Indigenous partners of three distinctions-based housing strategies” for First Nations, Métis and Inuit,<sup>15</sup> as well as the implementation of an Urban, Rural and Northern Indigenous Housing Strategy.<sup>16</sup> During his appearance before the committee, Benjamin Williams, Director, Indigenous and the North Housing Solutions at CMHC, spoke to the \$300 million investment from Budget 2022, and the progress being made on the implementation of this strategy.<sup>17</sup> The committee is aware that Budget 2023 committed a further \$4 billion to implement the Urban, Rural and Northern Indigenous Housing Strategy.<sup>18</sup> Note that the committee reported on the subject of rural, northern and urban Indigenous housing in May 2021, and recommended that a Rural, Northern and Indigenous Housing Strategy be developed by the federal government and other orders of government, working with Indigenous peoples, governments, communities and organizations.<sup>19</sup>

The committee is also aware that, in Budget 2023, the federal government announced its intention to reallocate funding from the repair stream to the new construction stream of the National Co-Investment Fund (NHCF), in order to increase the number of new affordable homes.<sup>20</sup>

## About Reaching Home: Canada’s Homelessness Strategy

Reaching Home: Canada’s Homelessness Strategy is a federal funding program that “provides funding to urban, Indigenous, rural and remote communities to help them address their local homelessness needs.”<sup>21</sup> Previously administered by Employment and Social Development Canada (ESDC), Reaching Home now falls under the responsibility of

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15 CMHC, *2023–2027 Summary of the Corporate Plan*, p. 31.

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

17 HUMA, *Evidence*, 17 February 2023, 0955 (Benjamin Williams, Director, Indigenous and the North Housing Solutions, CMHC).

18 Government of Canada, *A Made-in-Canada Plan*, Budget 2023.

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

20 Government of Canada, *A Made-in-Canada Plan*, Budget 2023.

21 Government of Canada, *About Reaching Home: Canada’s Homelessness Strategy*. See also Government of Canada, *Background – Reaching Home*.



Infrastructure Canada.<sup>22</sup> Reaching Home supports the goal of the NHS to reduce chronic homelessness by 50% by 2030.<sup>23</sup>

Reaching Home provides funding through a National Funding Stream, which aims to “develop a better understanding of homelessness based on local data collection.” It also provides funding through several regional streams,<sup>24</sup> including:

- the Designated Communities stream, which provides “long-term stable funding to 58 urban communities outside the territories that face significant issues with homelessness” (called designated communities);<sup>25</sup>
- the Indigenous Homelessness stream, which provides funding to Indigenous organizations that “provide supports to meet the unique needs of First Nations, Inuit and Métis people who are experiencing or at risk of homelessness” in urban centres;<sup>26</sup>
- the Rural and Remote Homelessness stream, which provides project funding to non-designated communities outside of the territories;<sup>27</sup> and
- the Territorial Homelessness stream, which provides funding to “address the unique homelessness challenges in the territories.”<sup>28</sup>

## ALLOCATING AND DISBURSING FUNDING EFFECTIVELY

The committee heard from CMHC officials about the Corporation’s ability to allocate and disburse funds via various NHS programs. Members raised concerns about priorities for allocating funds; allocating sufficient funds per housing unit, particularly in the context of rising construction and renovation costs and rising interest rates; and disbursing funds in a timely manner. Testimony related to these issues is discussed in the section below.

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22 Government of Canada, [\*Questions and Answers on the transfer of Reaching Home: Canada's Homelessness Strategy to Infrastructure Canada.\*](#)

23 Government of Canada, [\*About Reaching Home: Canada's Homelessness Strategy.\*](#)

24 Government of Canada, [\*Funding streams under Reaching Home.\*](#)

25 Government of Canada, [\*Designated Communities funding stream.\*](#)

26 Government of Canada, [\*Indigenous Homelessness funding stream.\*](#)

27 Government of Canada, [\*Rural and Remote Homelessness funding stream.\*](#)

28 Government of Canada, [\*Territorial Homelessness funding stream.\*](#)

## Priorities for Allocating Funding

The committee heard from CMHC that Canada is facing an affordability crisis “driven primarily by supply,” with a need for 3.5 million more housing units by 2030.<sup>29</sup> While acknowledging that this is not a task that can be accomplished by government funding alone,<sup>30</sup> CMHC discussed how it prioritizes the allocation of its NHS funding to ensure it can make the greatest impact, including reaching people in greatest need.

## Programs That Support Affordability for Those in Greatest Need

Romy Bowers clarified that CMHC is committed to making sure that funds are directed to those most in need through the NHS.<sup>31</sup> The committee heard that CMHC is regularly integrating new programs into the NHS, such as the Rapid Housing Initiative (RHI), added in 2020 in attempts “to speed up the delivery of deeper affordability.”<sup>32</sup>

Romy Bowers spoke to the potential of this program in reaching those experiencing the greatest level of housing need, sharing that from her perspective,

[T]he best way to address housing for those most in need is investing in programs like the Rapid Housing Initiative, housing programs that are rich in grants that target vulnerable populations. For example, the Rapid Housing Initiative has resulted in the funding of over 10,000 new housing units. Many of them are perfectly suitable for those experiencing homelessness or at risk of homelessness. Those are the kinds of programs that will best address those most in need.<sup>33</sup>

Finally, CMHC told the committee that increasing funding through programs such as the RHI is one of the best ways to achieve more affordability in housing, as this can offset equity investments by housing providers, allowing them to charge more affordable rent.<sup>34</sup>

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29 HUMA, [Evidence](#), 17 February 2023, 1010 (Mason).

30 Ibid., 0920 (Mason).

31 PACP, [Evidence](#), 29 November 2022, 1650 (Bowers).

32 HUMA, [Evidence](#), 17 February 2023, 0900 (Mason).

33 HUMA, [Evidence](#), 5 December 2022, 1555 (Bowers).

34 HUMA, [Evidence](#), 17 February 2023, 1015 (Mason).



Taking this testimony into consideration, the committee makes the following recommendations:

### **Recommendation 1**

**That the Canada Mortgage and Housing Corporation ensures the allocation of National Housing Strategy funds prioritizes populations most at risk of housing need and homelessness, including through the seeking of new allocation of funds to the Rapid Housing Initiative.**

### **Recommendation 2**

**That the Canada Mortgage and Housing Corporation consider measures to enhance the implementation of the Government of Canada’s commitment to a human rights-based housing policy through its delivery of National Housing Strategy programs.**

## **Types of Organizations Funded**

With regards to the type of organizations supported by the NHS, Romy Bowers indicated that to address the need for affordable housing, the majority of programs target the non-profit sector and other levels of government.<sup>35</sup>

At the same time, she acknowledged that, given that 95% of rental housing in Canada is provided by the private sector, that sector “needs to be a part of the solution” for housing affordability.<sup>36</sup> On this topic, Bob Dugan, Chief Economist at CMHC, indicated that—given the high proportion of rental housing provided by the private sector—

financialization<sup>37</sup> is something that exists by design in our rental market. In an environment of a growing population and more demand for more rental units, we need more financialization in order to get more supply to meet the needs of a growing population.<sup>38</sup>

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35 HUMA, [Evidence](#), 5 December 2022, 1655 (Bowers).

36 Ibid., 1535 (Bowers).

37 According to CMHC, “[t]he term ‘financialization of housing’ [...] reflects a belief that changes in housing and financial markets have resulted in housing being treated as a commodity.” CMHC, [The Financialization of Housing](#).

38 HUMA, [Evidence](#), 5 December 2022, 1550 (Bob Dugan, Chief Economist, CMHC).

Romy Bowers noted that while the NHS provides grants only to non-profit organizations and governments, it does provide loans to private developers.<sup>39</sup> Paul Mason, Senior Vice-President of Client Solutions at CMHC, confirmed that real estate investment trusts or REITs<sup>40</sup> do not receive any funding through NHS programs, including the NHCF.<sup>41</sup> CMHC indicated in a written submission to the committee that out of a total of 190 existing projects under the Rental Construction Financing Initiative (RCFI), which provides funding through repayable financing and loans, there are currently four agreements in place “where a REIT may have benefitted through inter-related companies.”<sup>42</sup>

While the committee understands the importance of supporting housing types all along the housing continuum—from shelters, to social and affordable housing, to market housing—it also recognizes that the public and non-profit sectors play a critical role in addressing housing affordability for those in greatest need.

### Allocation by Region

During the study, concerns about the equitable allocation of funding by province, particularly with regards to the NHCF, were brought to the attention of CMHC. CMHC told the committee that, given that the NHCF is application-based, there are no specific allocations based on region. Rather, CMHC prioritizes NHCF applications based on “areas of greatest need,” and prioritizes projects that can “achieve the greatest outcomes.”<sup>43</sup> While the committee agrees with the need to distribute funds efficiently, equitable distribution of funds is also of importance. The committee therefore recommends:

#### Recommendation 3

**That the Canada Mortgage and Housing Corporation ensures the National Housing Co-Investment Fund addresses the needs across all regions of Canada.**

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39 Ibid., 1550 (Bowers).

40 Real estate investment trusts or REITs are publicly traded trusts that “passively hold interests in real property.” Due to their structure, REITs receive tax advantages—specifically, “trust income is permitted to flow through the trust into the hands of the unitholders and, consequently, income is not taxed at the trust level.” Osler, *Real Estate Investment Trusts (REITs)*.

41 HUMA, *Evidence*, 17 February 2023, 1005 (Mason).

42 CMHC, Written submission to HUMA, 21 April 2023. In its submission, CMHC explained that many rental housing developers operate inter-related companies that are REITs.

43 HUMA, *Evidence*, 17 February 2023, 0905–0910 (Mason).



## Amount of Funds Available

In recent years, residential construction and borrowing costs have increased.<sup>44</sup> At the same time, the maximum amount of funds available per housing unit under certain NHS programs has decreased. The committee heard about the change in level of funds available for applicants for two programs in particular, the NHCF and the RHI.

With regards to the NHCF, the committee heard that in 2022, CMHC implemented a cap on the grant available at \$25,000 per unit, replacing the previous limit of up to 40% of total project costs. CMHC told the committee that this was done to be able to disburse funds to as many applicants as possible with the remaining funds available for the program.<sup>45</sup> Despite rising construction costs, it was indicated that CMHC continues to receive applications that are viable with the \$25,000 cap.<sup>46</sup> CMHC noted in a written submission that, since the cap was introduced, there have been no known application withdrawals due to the cap.<sup>47</sup> When asked about the impact of the \$25,000 cap on community groups, Romy Bowers stated that CMHC

look[s] at projects on an individual basis. We have targets like the \$25,000 target per unit [...] but we always look at projects on an individual basis and do what we can to make sure the projects are viable and succeed.<sup>48</sup>

Further, CMHC indicated that the NHCF contribution-only stream, which is used by organizations<sup>49</sup> that have already secured funding but require a top-up or need to leverage other funding sources, was not subject to this cap, and that funding could “go up to \$125,000 a door for those particular projects.” It was also confirmed that any projects for which CMHC had committed funding before the introduction of the \$25,000 cap would not be subject to it.<sup>50</sup>

When asked about reduced grant-to-cost ratios for certain municipalities in the context of the RHI, Paul Mason explained that CMHC had determined funding amounts based on

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44 Ibid., 0900 (Mason). See also OPBO, [Federal Program Spending on Housing in 2022](#), 16 February 2023, p. 11.

45 HUMA, [Evidence](#), 17 February 2023, 0915 (Mason).

46 Ibid., 0915 (Mason).

47 CMHC, Written submission to HUMA, 24 April 2023.

48 HUMA, [Evidence](#), 5 December 2022, 1625 (Bowers).

49 Eligible organizations for this stream include non-profit and community housing organizations, housing co-operatives, and governments. CMHC, [National Housing Co-Investment Contribution Only Funding](#).

50 HUMA, [Evidence](#), 17 February 2023, 0855, 0915 (Mason).

the level of affordability it aimed to achieve through the program, balanced with the goal to create as many units as possible. He stated,

As we work with each of the municipalities, as well as through the projects that come in, we look to assess those projects that are most likely to achieve those outcomes and try to ensure that the money we spend goes as far as it can.<sup>51</sup>

At the same time, he acknowledged that rising costs put a strain on the number of units that could be created using the available funding.<sup>52</sup>

In determining the maximum amount of funds available to applicants, the committee recognizes the need for CMHC to balance priorities related to the affordability of the housing created, as well as the number of units. With these considerations in mind, the committee recommends:

#### **Recommendation 4**

**That, with a view to facilitating the creation of affordable housing units under the National Housing Co-Investment Fund and the Rapid Housing Initiative, the Canada Mortgage and Housing Corporation:**

- **assess the impact of current per-unit funding caps on the viability of projects in the context of elevated construction and borrowing costs, and with consideration for different types of organizations; and**
- **lift the current maximum available funding per unit for the National Housing Co-Investment Fund.**

### **Disbursing Funds in a Timely Manner**

During the study, CMHC officials discussed the time it took to disburse funding through its various programs. The committee heard that timelines were shorter for certain programs or streams, and that CMHC had introduced changes over time based on lessons learned.

In a written submission to the committee, CMHC provided information on how funding flows to proponents for different NHS initiatives. For example, for the NHCF and the RCFI, funds are advanced to proponents as construction progresses. This is also the case

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51      *Ibid.*, 0900 (Mason).

52      *Ibid.*



for non-profit proponents under the RHI. For government entities that are receiving funding under the RHI, funds are released once an agreement is signed. In the case of the Federal Lands Initiative, funds flow on the date of closing. For the Affordable Housing Innovation Fund, the approach to disbursing funds is considered on a case-by-case basis.<sup>53</sup>

CMHC also indicated that changes had been introduced to shorten disbursement timelines. In the case of the NHCF, Simon Lahoud, Director of Financing Solutions at CMHC, told the committee that for “files where there is a loan component [...] [c]urrently we do that within 100 days.”<sup>54</sup> In order to simplify the process, Paul Mason indicated that the Corporation had

implemented [...] a contribution-only stream, where we turned around applications in as little as four weeks. Those were targeted specifically at the smaller not-for-profits to make it simpler. There was not a loan component associated with those, and we were granting up to \$125,000 a door for those particular ones. That was in recognition of the lessons learned around dealing with those organizations and dealing as well with the level of affordability.<sup>55</sup>

In addition, CMHC identified construction delays as one of the factors impacting the timelines for projects,<sup>56</sup> noting that it will be launching a new Housing Accelerator Fund to help to address these challenges.<sup>57</sup> Romy Bowers elaborated that the program will aim to “provide incentives at the municipal level to unlock [...] barriers at the local level,” such as those related to local permitting and approvals processes.<sup>58</sup> CMHC provided further information on the Housing Accelerator Fund, indicating that it is expected to result in permits being issued for 100,000 more housing units than would be issued without the program.<sup>59</sup> As outlined on the CMHC website, applicants for funding (i.e., local governments, including First Nations, Métis and Inuit governments) will need to “commit to a housing supply growth target [...] that increases the average annual housing supply growth by at least 10%. The growth rate must also exceed 1.1%.”<sup>60</sup> Note

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53 CMHC, Written submission to HUMA, 24 April 2023.

54 HUMA, [Evidence](#), 17 February 2023, 0940 (Simon Lahoud, Director, Financing Solutions, CMHC).

55 *Ibid.*, 0855 (Mason).

56 *Ibid.*, 0925 (Mason).

57 HUMA, [Evidence](#), 5 December 2022, 1710 (Bowers).

58 *Ibid.*

59 CMHC, Written submission to HUMA, 21 April 2023. See also CMHC, [Housing Accelerator Fund](#).

60 CMHC, Written submission to HUMA, 21 April 2023. See also CMHC, [Housing Accelerator Fund: Large/Urban Stream](#) and [Housing Accelerator Fund: Small/Rural/North/Indigenous Stream](#).

that HUMA released a report on the Housing Accelerator Fund in October 2022, and made recommendations for its design and rollout.<sup>61</sup>

Despite these efforts, the committee remains concerned about the length of time it has taken to disburse funds through certain streams. Concerns were brought to CMHC’s attention that only a small proportion of funds allocated to the Federal Lands Initiative for 2021–2022 had been disbursed, and that no available lands were listed on the web page for the initiative. A written submission from CMHC indicated that as of 31 December 2022, eight projects have been approved, with the number of days between approval and the first advance ranging from three to 362 days, and averaging at 80 days.<sup>62</sup>

In addition, in 2021, \$420 million over 5 years was announced to support the construction of new shelters and transitional housing for Indigenous women and girls, to be disbursed by CMHC.<sup>63</sup> This funding responds to Calls to Justice 4.7 and 16.19 in the final report of the National Inquiry into Missing and Murdered Indigenous Women and Girls.<sup>64</sup> To date, 22 projects have been selected for a total of approximately \$90 million; CMHC indicated to the committee they anticipate being able to begin disbursing these funds “in the coming months”.<sup>65</sup> While the committee recognizes that the various factors may impact the timelines for disbursing committed funds, it also sees the need to prioritize the disbursement of these funds as soon as is feasible.

## IMPROVING CLIENT EXPERIENCE

During the study, members of the committee raised concerns about the client experience of organizations who apply for funding under the NHS. This section examines actions CMHC is taking to simplify and speed up the application process for NHS grants and contributions. It also discusses the importance of supporting client needs across the lifespan of a project.

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61 HUMA, *Housing Accelerator Fund*, Fourth Report, October 2022.

62 CMHC, Written submission to HUMA, 21 April 2023.

63 CMHC, *Indigenous Shelter and Transitional Housing Initiative*.

64 National Inquiry into Missing and Murdered Indigenous Women and Girls, “*Calls for Justice*,” *Reclaiming Power and Place: The Final Report of the National Inquiry into Missing and Murdered Indigenous Women and Girls*, June 2019.

65 HUMA, *Evidence*, 17 February 2023, 1030 (Williams).



## Application Processes

The committee heard from CMHC about challenges that it had faced in the administration of NHS application processes, as well as improvements it had made to these processes. A number of issues were brought to CMHC’s attention regarding the time and effort required for applicants to access funding through its programs, including the number of days CMHC took to provide a response to applicants.

CMHC told the committee about the challenges it had faced with its ability to deliver grants and contributions at the onset of the NHS. In this regard, Paul Mason indicated that

when the [NHS] was launched, CMHC had to ramp up our direct delivery capability, funding direct projects through an application-based process, which are the majority of the [NHS] programs. That was not something that CMHC had been doing for a number of years. ... [W]e actually had to ramp up that capability, and we definitely had some growing pains with that.<sup>66</sup>

Six years after the NHS was launched, challenges remain. When asked about applications that are abandoned, CMHC indicated in a written submission that a total of 627 applications were started for various program streams, but not completed.<sup>67</sup> CMHC acknowledged that it is not always possible to know the reasons why an organization may not continue with an application, and therefore could not indicate how often applications were abandoned due to the nature of the application process.<sup>68</sup> However, CMHC noted that, based on a voluntary survey of clients who withdraw applications, reasons for withdrawal may include not having the appropriate documentation ready, changing project goals, or not meeting program eligibility requirements.<sup>69</sup> It was noted that for the NHCF—the program with the highest number of applications that have been withdrawn, at 275—the most common reason for an application to be withdrawn is viability. This means that there is a funding gap in the project, or that it is not viable based on the costs of construction relative to available rent.<sup>70</sup>

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66 Ibid., 0850 (Mason).

67 CMHC, Written submission to HUMA, 14 February 2023.

68 HUMA, [Evidence](#), 17 February 2023, 0940 (Mason).

69 CMHC, Written submission to HUMA, 21 April 2023.

70 HUMA, [Evidence](#), 17 February 2023, 0940 (Lahoud).

However, CMHC told the committee about its continuing efforts to adjust to the consistent growth in the NHS and to improve application processes and client experience. While Romy Bowers highlighted the importance of balancing client experience and timeliness with good governance (including “checks and balances to make sure government funds are being used for their intended purpose”),<sup>71</sup> the committee heard about the following improvements:

- simplifying processes for the NHCF, resulting in a 50% reduction in turnaround time for applications;<sup>72</sup>
- launching a contribution-only stream for the NHCF, in response to feedback from smaller proponents that the existing loan and contribution streams were difficult to navigate;<sup>73</sup>
- for the most recent round of funding for the RHI, providing a longer timeframe for applicants to submit their applications, streamlining the application process and the approval process, and extending the time requirements to complete projects to account for construction delays;<sup>74</sup>
- simplifying paperwork and legal agreements for the NHCF and the RHI;<sup>75</sup> and
- for NHS programs in general, removing cumbersome or complicated elements from application forms, and examining processes to ensure they are robust, but do not include unnecessary components.<sup>76</sup>

The committee takes note of CMHC’s efforts to ramp up capacity following the launch of the NHS and recognizes the improvements it has made to application processes in the years since.

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71 HUMA, [Evidence](#), 5 December 2022, 1645 (Bowers).

72 Ibid., 1535 (Bowers).

73 Ibid., 1705 (Yannick Monaghan, Director, Client Solutions, CMHC).

74 HUMA, [Evidence](#), 17 February 2023, 0930 and 0955 (Mason).

75 HUMA, [Evidence](#), 5 December 2022, 1645 (Bowers); and HUMA, [Evidence](#), 17 February 2023, 0855 (Mason).

76 HUMA, [Evidence](#), 17 February 2023, 0940 (Mason).



## Providing Client Services

Throughout the study, concerns were raised regarding the onus on applicants to navigate funding requirements and processes. In particular, some members identified challenges with CMHC programs that require approvals or collaboration from other levels of government or other sectors, highlighting complexity and administrative burden.

The committee heard that CMHC has worked to improve relationships with provincial, territorial and municipal governments, as well as improve its understanding of specific needs of the non-profit sector.<sup>77</sup> Romy Bowers explained that “[p]rior to the [NHS], CMHC was focused on its commercial mandate. We were delivering mortgage insurance products and working primarily with the financial institutions sector.” She further elaborated,

The national housing strategy represented a return after three decades to working with clients of a totally different type. We've had to re-establish ties with the non-profit community. We've had to work more closely with provincial, territorial and municipal governments. That has required a retooling of our processes and our technology and, possibly most importantly, a change in culture at CMHC.<sup>78</sup>

CMHC identified the need to continue to work across all levels of government, as non-profits often need to obtain funding from CMHC, as well as from other sources.<sup>79</sup> It was noted that CMHC is continuously seeking ways to work with provinces and municipalities to better align programming.<sup>80</sup>

Additionally, CMHC indicated in a written submission that, in partnership with Infrastructure Canada, it had developed a targeted outreach strategy “to ensure Reaching Home funding recipients make the most of the opportunities offered through the other [NHS] programs that could support their efforts to address homelessness.”<sup>81</sup>

CMHC also described the ways it provides support directly to NHS funding applicants, particularly smaller communities and community organizations. For example, Yannick Monaghan, Director of Client Solutions at CMHC, noted that the Corporation works directly with housing providers to help them from “cradle to grave” and support

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77 HUMA, *Evidence*, 5 December 2022, 1645 (Bowers).

78 Ibid.

79 Ibid., 1720 (Bowers).

80 HUMA, *Evidence*, 17 February 2023, 1010 (Mason).

81 CMHC, Written submission to HUMA, 21 April 2023.

them from the beginning of the development of an application, through the financing process, and right through to construction.<sup>82</sup> The committee also heard that staff at CMHC work with applicants to find ways to make projects viable if they could be successful projects, but as submitted are not yet feasible.<sup>83</sup> Finally, CMHC indicated that it addresses clients' needs within their service standards 97% of the time.<sup>84</sup>

In addition, CMHC has developed processes to measure client satisfaction, surveying clients who become recipients of funding and those who are not successful in their application.<sup>85</sup> In a written submission to the committee, CMHC indicated that its overall client satisfaction score, ranking the level of satisfaction with the most recent interaction with the Corporation, was at 82% for 2022.<sup>86</sup> Romy Bowers indicated that “[w]hen the level of satisfaction is not satisfactory, we take actions to remediate that.”<sup>87</sup>

The committee recognizes the challenges that may be faced in applying for NHS programs and notes the importance of CMHC’s continued client service improvements. It therefore makes the following recommendations:

#### **Recommendation 5**

**That the Canada Mortgage and Housing Corporation continue to improve the support to applicants, including by making improvements to application processes for funding under the National Housing Strategy, with a view to improving the frequency and transparency of communication with applicants, simplifying and clarifying language in program applications, and clarifying what exactly is expected from applicants at each stage of the application process.**

#### **Recommendation 6**

**That the Canada Mortgage and Housing Corporation track the end to end processing timelines, beginning with the application date to the disbursement of funds, including key steps in the process with a view of setting goals for improvement, and that process**

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82 HUMA, [Evidence](#), 5 December 2022, 1705 (Monaghan).

83 HUMA, [Evidence](#), 17 February 2023, 0930 (Mason).

84 CMHC, Written submission to HUMA, 14 February 2023.

85 HUMA, [Evidence](#), 17 February 2023, 0940 (Mason).

86 CMHC, Written submission to HUMA, 14 February 2023.

87 HUMA, [Evidence](#), 5 December 2022, 1635 (Bowers).



**improvement goals be established within six months of this report and be included in annual reports going forward.**

## DEFINING AFFORDABILITY

CMHC told the committee that Canada is facing a housing affordability crisis, driven largely by a lack of housing supply.<sup>88</sup> A significant point of discussion over the course of the study was the definition of the term “affordable” for the purposes of various NHS programs. The section below discusses CMHC’s definition of “affordability,” and outlines affordability thresholds for specific NHS programs—namely, the RHI, the Rental Construction Financing Initiative, the NHCF, and the Federal Lands Initiative. It also highlights concerns raised by the Auditor General of Canada.

One of the objectives of the initiatives of the NHS is to build affordable housing and renew the existing affordable housing stock.<sup>89</sup> CMHC defines housing to be affordable if it costs less than 30% of a household’s before tax-income.<sup>90</sup> However, there are different criteria related to affordability for the various NHS programs. For example:

- The RHI, which is geared towards those experiencing homelessness, requires that all units funded through this program have rent no more than 30% of gross income.<sup>91</sup>
- The Rental Construction Financing Initiative, which Romy Bowers explained is intended to provide housing close to market rates,<sup>92</sup> includes as part of its eligibility criteria an aspect of affordability: either 20% or more of a project’s units must have rents below 30% of the median before-tax family income in the Census Metropolitan Area or Census Agglomeration where the project is located (and the rental income must be at least 10% below what is achievable, supported by an independent appraisal report), or the project must have been approved under another affordable housing program from any government level.<sup>93</sup>

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88 HUMA, [Evidence](#), 17 February 2023, 1010 (Mason).

89 CMHC, [About the Initiatives](#).

90 CMHC, [About Affordable Housing in Canada](#).

91 CMHC, [Rapid Housing Initiative—Highlight Sheet](#), and HUMA, [Evidence](#), 5 December 2022, 1540 (Bowers).

92 HUMA, [Evidence](#), 5 December 2022, 1655 (Bowers).

93 CMHC, [Rental Construction Financing Initiative](#); CMHC, [Rental Construction Financing](#), p. 2.

- The NHCF requires at least 30% of a project’s units be less than 80% of the median market rent. Bowers explained that this program funds “some units that are affordable and others that are closer to the market. ... so that different levels of rent can offset each other to provide projects that are financially viable for the proponents.”<sup>94</sup>
- The Federal Lands Initiative sets the same affordability criteria as the NHCF.<sup>95</sup>

In Report 5, *Chronic Homelessness*, of the *2022 Reports 5 to 8 of the Auditor General of Canada to the Parliament of Canada*, the Auditor General of Canada raised concerns about the NHS and affordability. The Auditor General found, for example, that rental units funded through the NHCF that were considered affordable by CMHC were often not affordable for low-income households.<sup>96</sup>

However, CMHC indicated to the committee that the NHS programs have different criteria associated with them depending on their objectives.<sup>97</sup> For example, Paul Mason indicated that programming also takes into consideration climate compatibility, accessibility, and dedicated funding to support women and children, and that each NHS program targets a different juncture “along the housing continuum”.<sup>98</sup> As a result, the mix of affordable and market housing, as well as the level of affordability, can vary based on the program.<sup>99</sup> In determining which projects to fund through its various NHS initiatives, CMHC prioritizes those that will achieve the “greatest outcomes,” including, but not limited to affordability.<sup>100</sup>

The committee heard that CMHC has exceeded its affordability requirements for each of its programs.<sup>101</sup> However, the Parliamentary Budget Officer has raised concern that housing created by the NHS programs can still result in individuals spending more than 30% of household income on rent. For example, in *Federal Program Spending on*

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94 CMHC, *National Housing Co-Investment Fund*, p. 3; HUMA, *Evidence*, 5 December 2022, 1540, 1600 (Bowers).

95 CMHC, *Federal Lands Initiative*.

96 Office of the Auditor General of Canada (OAG), *Chronic Homelessness*, Report 5 in *2022 Reports 5 to 8 of the Auditor General of Canada to the Parliament of Canada*, p. 8.

97 HUMA, *Evidence*, 17 February 2023, 0905 (Mason).

98 Ibid., 1000 (Mason).

99 HUMA, *Evidence*, 5 December 2022, 1545 (Bowers).

100 HUMA, *Evidence*, 17 February 2023, 0905 (Mason).

101 Ibid.



*Housing in 2022*, it is noted that the National Housing Council found that only 53% of units that were supported by the NHCF met the program’s definition of affordable (which requires that at least 30% of a project’s units be less than 80% of the median market rent).<sup>102</sup>

At the same time, Romy Bowers acknowledged that “having different affordability definitions has created confusion,” and that CMHC is working to “make the definitions more aligned [...] and readily understandable to Canadians.”<sup>103</sup> The committee acknowledges that different NHS programs have different objectives and eligibility criteria, but also recognizes the need for more clarity on the rationale for these differences, and on the number of units that are meeting CMHC’s definition of affordable housing. The committee therefore recommends:

#### **Recommendation 7**

**That the Canada Mortgage and Housing Corporation publicly report on the proportion of units funded under the National Housing Strategy, by program and by province and territory, and overall total, that meet the affordability criteria for each National Housing Strategy program and that cost less than 30% of the occupying household’s before-tax income.**

#### **Recommendation 8**

**That the Canada Mortgage and Housing Corporation review the affordability criteria for different programs under the National Housing Strategy, with a view to ensuring that the proportion of affordable housing units created, and the level of affordability of those units, adequately reflects the needs of people in Canada and meets the needs of people in core need.**

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102 OPBO, [Federal Program Spending on Housing in 2022](#), 16 February 2023 CMHC, [National Housing Co-Investment Fund](#), p. 3.

103 HUMA, [Evidence](#), 5 December 2022, 1545 (Bowers).

## Recommendation 9

**That the Canada Mortgage and Housing Corporation assess the impact of its programs on vulnerable groups at all stages of its National Housing Strategy initiatives.**

## CLARIFYING ACCOUNTABILITY FOR THE HOMELESSNESS REDUCTION TARGET

One of the main topics that arose during the study was accountability for reaching the federal government’s targets relating to housing and homelessness—specifically, the target to reduce chronic homelessness by 50% by 2030. The sections below outline concerns expressed by the Auditor General of Canada in relation to accountability for the homelessness reduction target, and the current status of CMHC and Infrastructure Canada’s efforts to ensure accountability for reaching this target.

### Concerns from the Auditor General of Canada

During her appearance before PACP, Karen Hogan, the Auditor General of Canada, echoed concerns raised in the Auditor General’s Report 5, *Chronic Homelessness*, that a lack of clear accountability for the homelessness target meant that housing programming was not being aligned “to meet the needs of the most vulnerable.”<sup>104</sup> In the report, the Auditor General recommended that CMHC and Infrastructure Canada improve their coordination and “engage with central agencies to clarify accountability for the achievement of the National Housing Strategy targets to eliminate gaps.” In their response to the audit, CMHC and Infrastructure Canada committed to “work with central agencies by 31 December 2023 to clarify accountability for the achievement of the National Housing Strategy chronic homelessness target.”<sup>105</sup> When appearing before PACP, the Auditor General expressed disappointment with the 31 December 2023 deadline, noting this meant that the lead organization for achieving the homelessness target would only be identified six years into the NHS.<sup>106</sup>

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104 PACP, *Evidence*, 29 November 2022, 1610 (Karen Hogan, Auditor General of Canada, Office of the Auditor General).

105 OAG, *Chronic Homelessness*, Report 5 in *2022 Reports 5 to 8 of the Auditor General of Canada to the Parliament of Canada*, p. 34.

106 PACP, *Evidence*, 29 November 2022, 1610 (Hogan).



## Current Status

Romy Bowers indicated in her testimony to PACP that CMHC is accountable for the delivery of the National Housing Strategy and its targets, but works in collaboration with Infrastructure Canada on the homelessness target.<sup>107</sup> HUMA heard from CMHC that while Infrastructure Canada is responsible for administering the Reaching Home program, CMHC also plays a role in addressing homelessness by supporting the creation and repair of housing and shelters through its funding programs. In the context of certain programs, CMHC has the authority to provide ongoing subsidies or housing affordability support.<sup>108</sup> Romy Bowers told the committee that she “take[s] accountability for using the tools that [CMHC has] to make sure that we deliver in solving chronic homelessness in Canada.”<sup>109</sup>

At the same time, Romy Bowers emphasized the importance of cross-government collaboration to achieve objectives related to homelessness. She stated,

In order to achieve the chronic homelessness targets it requires CMHC and Infrastructure Canada working very closely together but because of the nature of homelessness, it also requires very close collaboration between all levels of government and non-profit groups, and we are committed to doing that to ensure that collectively we can eliminate homelessness in Canada.<sup>110</sup>

Taking this testimony into consideration, the committee makes the following recommendation:

### Recommendation 10

**That the Canada Mortgage and Housing Corporation provide a detailed assessment of the effectiveness of each bilateral agreement with the provinces and territories. That the assessment include recommendations to improve the existing agreements with the purpose of leveraging additional affordable housing supply with provincial and territorial partners.**

Romy Bowers also noted that in response to the Auditor General’s concerns, CMHC has “established an [Assistant Deputy Minister]-level working group [with Infrastructure Canada] to make sure we can better coordinate the programs we have at CMHC, the

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107 HUMA, *Evidence*, 5 December 2022, 1635 (Bowers).

108 Ibid., 1605 (Bowers). See also CMHC, Written submission to HUMA, 24 April 2023.

109 Ibid., 1610 (Bowers).

110 Ibid., 1605 (Bowers).

housing financing programs, with the homelessness program that's implemented through Infrastructure Canada.” She indicated that this group meets on an ongoing basis.<sup>111</sup> In addition, a working group has been established with Veterans Affairs Canada to support a new program to address homelessness among veterans.<sup>112</sup>

The committee takes note of CMHC and Infrastructure Canada’s efforts to improve collaboration and clarify accountability. However, it also observes the need to clarify accountability in a timely manner, and therefore recommends:

#### **Recommendation 11**

**That the Government of Canada, as soon as is feasible, and before December 2023, clarify accountability at the federal level for achieving the Government of Canada’s homelessness reduction target (namely, the reduction of chronic homelessness by 50% by 2027–2028); and further, that it ensure sufficient programming is in place to achieve this target.**

#### **Recommendation 12**

**That in order to reach the Government of Canada’s own target of reducing chronic homelessness by 50% by 2027–2028, that the Government of Canada show leadership by taking a whole of government approach, in collaboration with provinces and territories, to ensure wrap around services and other supports are made available to the those in need, and report back to the committee no later than December 2023 on a plan on how the government will achieve this goal.**

#### **Recommendation 13**

**That to ensure the Government of Canada meets its own target of reducing chronic homelessness by 50% by 2027–2028 that the Government of Canada take a whole of government approach, in collaboration with provinces and territories, to this directive and report back to the Committee no later than December 2023 on a plan on how the government will achieve this goal.**

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111 Ibid., 1625–1630 (Bowers).

112 CMHC, Written submission to HUMA, 21 April 2023.



## Recommendation 14

**That the Canada Mortgage and Housing Corporation report back to the committee on how the specific targets established for the National Housing Strategy will fail to meet the government’s overall vision for the National Housing Strategy that everyone in Canada has a home that they can afford that meets their needs and indicate what corrective action is needed by the Federal government to meet this public policy.**

## MEASURING PROGRESS

The availability of timely data is critical to assessing the effectiveness of the federal government’s investments in housing affordability and homelessness reduction. Timely data is also needed to determine which populations are benefiting from these investments. This section summarizes testimony related to the data currently available on the performance of the NHS and Reaching Home; outlines concerns expressed by the Auditor General of Canada about measuring the impact of federal efforts to prevent and reduce homelessness; and provides information on work that is currently underway at CMHC to improve the quality and timeliness of data.

## Meeting Key Targets

Romy Bowers told HUMA that CMHC believes it is meeting the original intent of the NHS, based on the Corporation’s performance against the following six indicators of success that were created when the NHS was established in 2017:

- reducing or eliminating the housing needs of 540,000 households—Romy Bowers noted that, so far, this has been achieved for 246,000 households;
- creating 160,00 new housing units—financial commitments have been delivered for 114,000 units so far;
- repairing or renewing 300,000 existing social housing units—funding has been extended to 272,000 units so far;
- protecting 385,000 community housing units—220,000 units have received support so far;

- providing housing affordability support to 300,000 households through the Canada Housing Benefit—100,000 households have been supported by the benefit so far; and
- committing 25% of all NHS funding to meeting the housing needs of women and children—30% of funding has gone towards this purpose so far.<sup>113</sup>

In addition, when testifying before PACP, Kelly Gillis, Deputy Minister of Infrastructure Canada, spoke to the government’s progress in reducing homelessness. She highlighted results from the first two years of Reaching Home—notably, that 32,000 people were placed in stable homes (with 70% of them still placed in those homes a year later), and that 62,000 people were prevented from becoming homeless.<sup>114</sup> Jean-François Tremblay, Deputy Minister of ESDC, noted that these statistics were not available during the audit period for the Auditor General’s report on chronic homelessness, as the community groups responsible for reporting data were given an extension due to COVID-related challenges.<sup>115</sup>

In her testimony, Romy Bowers spoke to the government’s overall vision for the NHS—that everyone in Canada has a home they can afford and that meets their needs—stating that she viewed it as aspirational.<sup>116</sup> She elaborated that she saw it as a “moonshot. ... It’s likely that we’re not going to achieve it, but we feel that there’s a lot of value in trying for it.”<sup>117</sup> She also clarified that CMHC’s overall aspiration, while important, is different than the specific targets established for the NHS.<sup>118</sup>

On the goal to eradicate 50% of chronic homelessness in Canada by 2027–2028, Romy Bowers indicated that, since homelessness “requires not only the housing support but it requires wraparound services and other supports provided by other levels of government,” a 50% reduction by 2027–2028 would be “a very challenging target to meet.”<sup>119</sup>

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113 Ibid., 1620 (Bowers). For information on progress of the National Housing Strategy compared to its targets, see [Progress on the National Housing Strategy](#).

114 PACP, [Evidence](#), 29 November 2022, 1655 (Kelly Gillis, Deputy Minister, Infrastructure Canada).

115 Ibid., 1655 (Jean-François Tremblay, Deputy Minister, Department of Employment and Social Development).

116 CMHC, “[Our Aspiration](#),” *CMHC’s Story*; HUMA, [Evidence](#), 5 December 2022, 1640 (Bowers).

117 HUMA, [Evidence](#), 5 December 2022, 1640 (Bowers).

118 Ibid., 1710 (Bowers).

119 Ibid., 1625 (Bowers).



During her appearance before PACP, the Auditor General noted that responsible organizations (namely, CMHC, ESDC, and Infrastructure Canada) were not providing the data needed to demonstrate progress towards the federal government’s homelessness target.<sup>120</sup> Similarly, in Report 5, *Chronic Homelessness*, the Auditor General raised concerns that none of the three organizations knew “whether their efforts improved housing outcomes for people experiencing homelessness or chronic homelessness and for other vulnerable groups.”<sup>121</sup> While recommendations related to data were directed towards Infrastructure Canada, the Auditor General recommended that CMHC “assess the impact of its programs on vulnerable groups at all stages of its National Housing Strategy initiatives.”<sup>122</sup>

### Access to Better, More Timely Information

Romy Bowers told the committee about the challenges CMHC faces when it comes to data collection, and the work the Corporation is doing to ensure that better and more timely data is available on the impacts of its housing programs on different groups of people.

She indicated that CMHC collects information at the application stage of a project, where applicants identify the groups who will be served by a housing unit. However, she noted that, due to the nature of the construction cycle, there are often considerable delays between the construction of a unit and its occupation by a resident (for example, she stated that in Toronto, factors such as municipal approvals and skilled labour shortages mean “it can take up to six years from the conception of a project to the actual move-in date”).<sup>123</sup> As a result, even if funding has been committed for a unit, information may not yet be available on its ultimate recipient.<sup>124</sup>

Romy Bowers indicated that CMHC was collaborating with Statistics Canada “to do more detailed reporting about vulnerable groups.”<sup>125</sup> Specifically, as outlined in CMHC’s response to the Auditor General’s report on chronic homelessness, “the corporation has initiated a record-linkage project in partnership with Statistics Canada” to “provide

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120 PACP, *Evidence*, 29 November 2022, 1610 (Hogan).

121 OAG, *Chronic Homelessness*, Report 5 in *2022 Reports 5 to 8 of the Auditor General of Canada to the Parliament of Canada*, p. 8.

122 *Ibid.*, p. 33.

123 HUMA, *Evidence*, 5 December 2022, 1630 (Bowers).

124 *Ibid.*, 1610 (Bowers).

125 *Ibid.*, 1650 (Bowers).

demographic and outcome-based data on households being housed in National Housing Strategy units.” This will allow CMHC “to assess who is being assisted in units while respecting the privacy of occupants.”<sup>126</sup> Additionally, she noted that CMHC works closely with Statistics Canada in relation to race-based housing statistics, highlighting, for example, a 30% differential in homeownership between Black Canadians and white Canadians.<sup>127</sup>

Romy Bowers also noted that CMHC is also “continually improving our reporting and increasing the transparency of the information we provide to the public.”<sup>128</sup> In its written response to the committee, CMHC confirmed they will be able to make more data available on the populations being served by the NHS and the impacts of its programs by late 2023.<sup>129</sup>

The committee recognizes the work undertaken by CMHC in partnership with Statistics Canada to provide better data on housing and on the impact of the NHS, particularly on vulnerable groups, and makes the following recommendation:

#### **Recommendation 15**

**That the Canada Mortgage and Housing Corporation continue to work with Statistics Canada to improve the availability of disaggregated data on who is served by units funded under the National Housing Strategy, including people at risk of experiencing homelessness and other target populations identified during the application stage, as well as who ultimately occupies the unit.**

## **CONCLUSION**

Over the course of the study, the committee heard from CMHC officials about the Corporation’s successes and challenges in ramping up and implementing the NHS. It heard that CMHC has worked to adjust programming to address changing requirements, while continuing to make service improvements to meet client needs and increase efficiency.

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126 OAG, *Chronic Homelessness*, Report 5 in *2022 Reports 5 to 8 of the Auditor General of Canada to the Parliament of Canada*, p. 34.

127 HUMA, *Evidence*, 5 December 2022, 1650 (Bowers).

128 Ibid., 1625 (Bowers).

129 CMHC, Written submission to HUMA, 14 February 2023; and CMHC, Written submission to HUMA, 21 April 2023.



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However, further action is needed to ensure that funding is making the intended impact. The committee sees opportunities for CMHC to improve the way it allocates and disburses funds, and to continue efforts to improve client experience. Additional priorities include examining the current approach to defining and measuring affordability; ensuring accountability for the NHS's targets; and improving measurement and reporting on the NHS's progress.

## APPENDIX A LIST OF WITNESSES

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

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

<b>Organizations and Individuals</b>	<b>Date</b>	<b>Meeting</b>
<b>Canada Mortgage and Housing Corporation</b> Romy Bowers, President and Chief Executive Officer Bob Dugan, Chief Economist Simon Lahoud, Director, Financing Solutions Nadine Leblanc, Senior Vice-President, Policy Yannick Monaghan, Director, Client Solutions Carla Staresina, Vice-President, Risk Management, Strategy and Products	2022/12/05	48
<b>Canada Mortgage and Housing Corporation</b> Simon Lahoud, Director, Financing Solutions Paul Mason, Senior Vice-President, Client Solutions Benjamin Williams, Director, Indigenous and the North Housing Solutions	2023/02/17	56



## APPENDIX B LIST OF WITNESSES

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

### Standing Committee on Public Accounts

Organizations and Individuals	Date	Meeting
<b>Canada Mortgage and Housing Corporation</b> Romy Bowers, President and Chief Executive Officer Nadine Leblanc, Senior Vice-President, Policy	2022/11/29	41
<b>Department of Employment and Social Development</b> Jean-François Tremblay, Deputy Minister Nisa Tummon, Assistant Deputy Minister, Program Operations Branch	2022/11/29	41
<b>Office of Infrastructure of Canada</b> Kelly Gillis, Deputy Minister Janet Goulding, Assistant Deputy Minister, Community Policy and Programs Branch Kris Johnson, Director General, Homelessness Policy Directorate	2022/11/29	41
<b>Office of the Auditor General</b> Karen Hogan, Auditor General Sean MacLennan, Director	2022/11/29	41



# REQUEST FOR GOVERNMENT RESPONSE

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

A copy of the relevant *Minutes of Proceedings* ([Meetings Nos. 48, 56, 57, 68, 69, 70 and 71](#)) is tabled.

Respectfully submitted,

Robert J. Morrissey,  
Chair



# **Dissenting Report to the Human Resources, Skills and Social Development and the Status of Persons with Disabilities Committee Report On The National Housing Strategy**

**Conservative Party of Canada**

**June 6, 2023**

## **Introduction**

Conservatives know that Canada is in a housing crisis and that the first step of a productive, fulfilling, and dignified life is a home to call your own. The Federal Government must use every level available to them to solve this crisis. A successful housing strategy must be more than announcing a dozen units here and there, it must take serious and bold action to build the homes Canadians need.

## **Canada's Housing Crisis**

Canada is in a housing crisis, and while the Minister of Housing and Diversity and Inclusion has had difficulties admitting so, Mr. Paul Mason (Senior Vice-President, Client Solutions, Canada Mortgage and Housing Corporation) was clear<sup>1</sup>:

*As we at CMHC have said in the past, we believe there's an affordability crisis within Canada that is driven primarily by supply.*

Furthermore, Mr. Mason told the Committee what the single biggest problem in the housing market is today<sup>2</sup>:

*"We feel that there are a lot of different aspects to housing in this country, but the one common denominator and underlying driver is supply. If there's one single thing we could do, it would be to increase the density and supply of housing in this country."*

Conservative Members agree with Mr. Mason. Adding density to our communities, and supply of social housing, affordable housing, rental housing, shelters, and more of all housing types into the market will be key to solving the housing crisis.

The CMHC itself recognizes the need to build an additional 3.5 million new housing units above and beyond the current pace of building by 2030.<sup>3</sup> When you consider that Canada is currently

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<sup>1</sup> House of Commons, Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities (HUMA), Evidence, 17 February 2023.

<sup>2</sup> Ibid.

<sup>3</sup> Ibid.

building fewer homes today than it was in the 1970s, Conservative Members cannot recognize the NHS as anything but a failure.<sup>4</sup>

## The 'Transformational' National Housing Strategy

The Trudeau government announced their National Housing Strategy in 2017, with great fanfare. The Prime Minister even went so far as to call the NHS 'transformational'. The NHS is supposed to<sup>5</sup>:

- Remove 530,000 Canadian families from housing needs.
- Reduce chronic homelessness by 50%.
- Protect 385,000 community housing units.
- Provide 300,000 households with affordability support.
- Repair and renew 300,000 existing housing units.
- Create 100,000 new housing units.

But here is what has happened since 2015 under the Liberals and their NHS:

- House prices have doubled in Canada since 2015.<sup>6</sup>
- Monthly mortgage costs have more than doubled to over \$3,000 per month.<sup>7</sup>
- The average rent for a two-bedroom apartment in Canada's 10 biggest cities is \$2,213, compared to \$1,171.<sup>8</sup>
- Nine out of ten young people in this country who do not own a home believe they never will.<sup>9</sup>

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<sup>4</sup> Fraser Institute News Release: *More Housing Was Built in Canada during the 1970s than Now*, 13 Apr. 2023, [www.globenewswire.com/news-release/2023/04/13/2645946/0/en/Fraser-Institute-News-Release-More-housing-was-built-in-Canada-during-the-1970s-than-now.html#:~:text=TORONTO%2C%20April%202023%20%28GLOBE%20NEWSWI%29%20--%20Despite,Institute%2C%20an%20independent%2C%20non-partisan%20Canadian%20public%20policy%20think-tank](http://www.globenewswire.com/news-release/2023/04/13/2645946/0/en/Fraser-Institute-News-Release-More-housing-was-built-in-Canada-during-the-1970s-than-now.html#:~:text=TORONTO%2C%20April%202023%20%28GLOBE%20NEWSWI%29%20--%20Despite,Institute%2C%20an%20independent%2C%20non-partisan%20Canadian%20public%20policy%20think-tank).

<sup>5</sup> "National Housing Strategy." *Canada Mortgage and Housing Corp's (CMHC)*, 2017, [www.cmhc-schl.gc.ca/en/nhs](http://www.cmhc-schl.gc.ca/en/nhs).

<sup>6</sup> Hanrahan, Laura. "Urbanized." Canadian House Prices Have Doubled since 2015: Report, 18 Feb. 2022, [www.dailyhive.com/vancouver/canadian-house-prices-doubled-2015](http://www.dailyhive.com/vancouver/canadian-house-prices-doubled-2015).

<sup>7</sup> Reuters. "Bank of Canada: Some Canadians Could See Mortgage Payments Jump by 45% in 2025-26 as Rates Rise." 9 June 2022, [www.reuters.com/world/americas/bank-canada-some-canadians-could-see-mortgage-payments-jump-by-45-2025-26-rates-2022-06-09/](http://www.reuters.com/world/americas/bank-canada-some-canadians-could-see-mortgage-payments-jump-by-45-2025-26-rates-2022-06-09/).

<sup>8</sup> Aziz, Saba. "Rents in Canada Are through the Roof. Here Are the Most Expensive Cities." *Global News*, 20 Jan. 2023, [www.globalnews.ca/news/9424677/rent-prices-canada-january-2023/#:~:text=The%20national%20average%20rent%20last,unit%20at%20%242%2C596%20per%20month](http://www.globalnews.ca/news/9424677/rent-prices-canada-january-2023/#:~:text=The%20national%20average%20rent%20last,unit%20at%20%242%2C596%20per%20month).

<sup>9</sup> Nazir, Shazia. "Nine out of 10 Canadians Believe They Will Never Own a Home, Survey Shows." *Thestar.Com*, 26 Apr. 2022, [www.thestar.com/news/canada/2022/04/25/nine-out-of-10-canadians-believe-they-will-never-own-a-home-survey-shows.html?rf#:~:text=Canada-Nine%20out%20of%2010%20Canadians%20believe%20they,own%20a%20home%2C%20survey%20shows&text=A%20new%20survey%20shows%20as,will%20never%20own%20a%20home](http://www.thestar.com/news/canada/2022/04/25/nine-out-of-10-canadians-believe-they-will-never-own-a-home-survey-shows.html?rf#:~:text=Canada-Nine%20out%20of%2010%20Canadians%20believe%20they,own%20a%20home%2C%20survey%20shows&text=A%20new%20survey%20shows%20as,will%20never%20own%20a%20home).

- It now takes over 60% of Canadians' income to cover the cost of owning a home.<sup>10</sup>
- According to the OECD (2023), Canada has the largest gap between home prices and incomes among G7 nations.<sup>11</sup>
- Canada has the fewest number of homes per capita in the G7.<sup>12</sup>
- The CMHC is predicting that housing starts will decline by up to 32% this year.<sup>13</sup>

In a scathing report which examined homelessness reduction programs, the Auditor General concluded that after spending over a billion dollars between 2019 and 2021, the CMHC and Infrastructure Canada had no idea “whether chronic homelessness and homelessness had increased or decreased since 2019 as a result of this investment.”<sup>14</sup> Furthermore the Auditor General concluded that after spending \$4.5 billion on the National Housing Strategy the CMHC “did not measure the changes in housing outcomes for priority vulnerable groups.”<sup>15</sup>

The Liberal record on housing has resulted in rents that have doubled, mortgage payments that have doubled, an ongoing and worsening housing supply gap, and they have no idea whether the billions spent on reducing homelessness has made any difference. That is the legacy of the Liberal’s NHS.

Conservative Members note that despite the failure of the NHS, the CMHC continues to reward top level executives and public servants with performance bonus payments. Between fiscal year 2020 and the end of fiscal year 2022, the Liberal government handed out over \$52 million dollars in performance bonuses. Every single high-level executive was given a bonus for exceptional performance. Conservative Members note that bonuses meant for exceptional performance were handed out for a job not done.

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<sup>10</sup> Wells, Victoria. “Housing Affordability Crisis in Canada Is Worse than Ever | Financial Post.” *Canada’s Housing Affordability Crisis Is Worse than Ever*, 21 Dec. 2022, [www.financialpost.com/executive/executive-summary/housing-affordability-crisis-canada-worse](http://www.financialpost.com/executive/executive-summary/housing-affordability-crisis-canada-worse).

<sup>11</sup> McDonough, David. “Getting Our Houses in Order: How a Lack of Intergovernmental Policy Coordination Undermines Housing Affordability in Canada: MacDonald-Laurier Institute.” *Macdonald*, 18 May 2023, [www.macdonaldlaurier.ca/getting-our-houses-in-order-how-a-lack-of-intergovernmental-policy-coordination-undermines-housing-affordability-in-canada/](http://www.macdonaldlaurier.ca/getting-our-houses-in-order-how-a-lack-of-intergovernmental-policy-coordination-undermines-housing-affordability-in-canada/).

<sup>12</sup> Sharma, Neil. “Canada Has Lowest Housing Units per Capita in G7.” *Canadianrealestatemagazine*, 14 May 2021, [www.canadianrealestatemagazine.ca/news/canada-has-lowest-housing-units-per-capita-in-g7-334653.aspx](http://www.canadianrealestatemagazine.ca/news/canada-has-lowest-housing-units-per-capita-in-g7-334653.aspx).

<sup>13</sup> Younglai, Rachele. “CMHC Forecasts 32-per-Cent Drop in New Home Construction Due to Inflation, Labour Shortages.” *The Globe and Mail*, 27 Apr. 2023, [www.theglobeandmail.com/business/article-cmhc-home-construction-inflation-labour-shortage/](http://www.theglobeandmail.com/business/article-cmhc-home-construction-inflation-labour-shortage/).

<sup>14</sup> Tasker, John Paul. “After Spending Billions, Federal Government Doesn’t Know If It’s Reducing Chronic Homelessness: AG | CBC News.” *CBC News*, 15 Nov. 2022, [www.cbc.ca/news/politics/ag-report-homelessness-1.6651926](http://www.cbc.ca/news/politics/ag-report-homelessness-1.6651926).

<sup>15</sup> Ibid.

## Ministerial Responsibility and Accountability To Parliament

The Canada Mortgage and Housing Corporation (CMHC) is a crown corporation and acts as the federal government's national housing agency. The CMHC Board is appointed by the government, and the Minister of Housing and Diversity and Inclusion is directly accountable for the agency.

Simply put, the Minister of Housing and Diversity and Inclusion is responsible for CMHC. When a community group abandons a housing project because of complicated paperwork, the Minister is responsible. When housing providers can't get assistance during the application process, the Minister is responsible. When the CMHC raises their insurance fees on new missing middle and high density housing, as they did recently, the Minister is responsible.<sup>16</sup>

On homelessness reduction, the CMHC told the Auditor General of Canada (AG) that they were not directly accountable for addressing chronic homelessness.<sup>17</sup> Infrastructure Canada, who also is involved in reducing chronic homelessness, told the AG that they were not solely accountable for the NHS' target of reducing chronic homelessness.<sup>18</sup> It is clear that both organizations suffer from a failure of leadership. This failure rests at the top, with the Minister of Housing and Diversity and Inclusion.

Conservative Members note that CMHC is often blamed for the failing NHS, but ultimately, the Minister of Housing and Diversity and Inclusion is the person responsible for this failure.

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<sup>16</sup> CMHC. (2023). Notice: CMHC to increase Multi-Unit Mortgage Loan Insurance Premiums. <https://www.cmhc-schl.gc.ca/en/media-newsroom/news-releases/2023/notice-cmhc-increase-multi-unit-mortgage-loan-insurance-premiums>

<sup>17</sup> Tasker, John Paul. "After Spending Billions, Federal Government Doesn't Know If It's Reducing Chronic Homelessness: AG | CBC News." *CBC News*, 15 Nov. 2022, [www.cbc.ca/news/politics/ag-report-homelessness-1.6651926](http://www.cbc.ca/news/politics/ag-report-homelessness-1.6651926).

<sup>18</sup> *Ibid.*

## **Board Governance**

In Meeting #56 on February 17, 2023, MP Tracy Gray (Kelowna-Lake Country), pursued a line of questioning on board governance and involvement at CMHC with Mr. Paul Mason (Senior Vice-President, Client Solutions, Canada Mortgage and Housing Corporation).

MP Gray was examining the involvement of the board directly in National Housing Strategy Programs, if they were privy to funding applications, and if the board would ever have direct involvement on whether funds were distributed to specific applications.

The following exchange took place:<sup>19</sup>

*MP Gray: "Can you table for this committee the minutes from all CMHC board meetings from January 1, 2016 to December 31, 2022?"*

*Mr. Mason: "Yes, I suppose so. I don't think the board minutes are confidential."*

The Conservative Members of HUMA make note that CMHC never complied with this request from MP Gray. They did provide breakdowns of project funding, timelines, and applications rejected, but failed to provide minutes from board meetings between January 1, 2016 and December 31, 2022 as requested. Conservative Members view this as evading a parliamentary committee and a request for documents from a Member of Parliament.

## **Conclusion**

Conservative Members agree with the committee's recommendations that have identified significant shortcomings and areas for improvement with the NHS and the application processes at CMHC. Conservative Members also recognize that the CMHC was unwilling to admit the extent of the failures of the NHS, the scale of the housing crisis, and the Liberal record on housing since 2015. Finally, Conservative Members note the unwillingness of the Minister of Housing and Diversity and Inclusion to accept responsibility for the performance of the CMHC and the NHS.

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<sup>19</sup> House of Commons, Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities (HUMA), Evidence, 17 February 2023.

