
SUBJECT

COMMUNITY HOUSING

ISSUE

What is the Government doing to help preserve units for low income households living in community housing when operating agreements expire?

KEY FACTS

National Housing Strategy

- **Four Primary Initiatives:**
 - **\$4.3B** for the **Canadian Community Housing Initiative** delivered by provinces and territories to protect and repair a sustainable community-based housing sector. (\$8.6B with expected cost-matched by PTs)
 - **\$500M for the Federal Community Housing Initiative starting in April 2020**, to federally administered housing providers with operating agreements expiring between March 31, 2020 and March 31, 2027. \$38M for Phase I and \$462M for Phase II.
 - As of September 30, 2019, \$21.4 million in subsidies were provided to over 22,200 housing units representing the extension of 734 projects reaching their end of operating agreement dates.
 - **Community Housing Transformation Centre** will provide technical assistance and tools to increase the capacity of community housing providers and financial resources to support a community housing providers who are exploring new and more efficient business models.
 - As at September 30, 2019, \$1.7 million was provided to the “Centre.” Operational design and initial set up work has begun.

Budget 2016

- **\$573.9M** to support energy and water efficiency retrofits and renovations of the aging community housing stock
- **Up to \$30M** to renew subsidies for all eligible federally administered community housing projects
- **\$504M** in doubling of Investment in Affordable Housing funding, which can be used to support community housing.

Existing Investments

- **\$1.7B** in 2016 in support of over **536,000 households** living in community housing.

RESPONSE

- **Our government is taking concrete actions to protect the most vulnerable Canadians, and ensure that Canada’s federally administered community housing stock remains affordable and viable well into the future.**
- **As part of the National Housing Strategy, we announced \$4.3 billion Canada Community Housing Initiative that is helping to protect and build community-based housing for some 330,000 households across the country.**
- **We are also investing \$500 million over 10 years in the Federal Community Housing Initiative that is being implemented in two phases. The initiative will protect tenants and stabilize the operations of some 55,000 units in federally administered community housing projects.**

If pressed on Phase 1:

- **In April 2018, Phase 1 of the Federal Community Housing Initiative was launched, which provides \$38 million for an extension of subsidies to support more than 27,000 homes until the end of March 2020.**

- **This investment helps maintain affordability for low-income households and protect tenants while housing providers transition to the new rental assistance program and prepare for modernization through Phase 2 of the Federal Community Housing Initiative in 2020.**

If pressed on Phase 2:

- **On September 30, we reached another milestone in supporting community housing with the launch of Phase 2 of the Federal Community Housing Initiative.**
- **Mr. Speaker, \$462 million will go to housing providers over the next 8 years to help them transition seamlessly to the new rental support program, which will be implemented in April 2020.**
- **This initiative would not have been made possible without consultations with and feedback from key stakeholders across the country, such as the Co-operative Housing Federation of Canada, Canadian Housing and Renewal Association, Le Réseau québécois des OSBL d'habitation and Confédération québécoise des coopératives d'habitation (CQCH).**
- **We have listened and will continue to listen to the lived experiences of Canadians and tailor our programs to respond to their specific needs.**
- **Phase 2 of the Federal Community Housing Initiative, which will be implemented in April 2020, is a new rental assistance program that is available to providers of federally administered non-profit and co-op housing whose operating agreements are expiring.**

BACKGROUND

Stakeholders and community housing providers have been calling on the federal government to establish long-term funding solutions for social housing.

Community housing typically refers to housing that was built under federal legacy programs and that receive government subsidies through long term agreements. Community housing is any housing that is owned and operated by non-profits and co-operative housing organizations. The intent is that any new housing built in the future by these groups will be a new generation of housing, and thereafter be referred to as "community housing."

Community housing has been the backbone of Canada's response to housing challenges for more than 60 years and provides an affordable place to live for thousands of Canadians. Federal investments have supported the creation of community housing for low- and modest-income families and individuals.

In support of long-term operational improvements for the federally administered stock, housing providers with expiring agreements that apply for new funding under the Federal Community Housing Initiative need to meet minimum requirements under a new agreement related to the depth and duration of affordability, social inclusion, asset management, and governance, and ensure that projects are charging adequate rents relative to tenant incomes.

The FCHI has 2 components: rental assistance and temporary transitional assistance. Rental assistance is offered to housing providers to ensure low-income households continue to receive rental support to help reduce or eliminate their housing need.

Some community housing providers may not be immediately able to demonstrate that they can meet minimum requirements. The two-year temporary extension of subsidies under FCHI Phase 1 provided time to housing providers to transition to the new program eligibility criteria. In addition, in the context of FCHI Phase 2, housing providers can work with the NHS Community Housing Transformation Centre for support to become more efficient and resilient in order to build their capacity to meet the minimum requirements and become eligible for funding.

The Government is investing all funding that would have expired back into community housing with the goal of stabilizing and preserving the total number of units currently receiving support. These programs will specifically support low-income households that cannot afford market rents to ensure that federal funds go to those who need it most while promoting their participation and inclusion in society and the economy.

In Phase 1 of the Federal Community Housing Initiative, which was launched in April 2018, federally administered community housing providers with long-term operating agreements that have ended or are ending between April 1, 2016 and February 28, 2020 will continue to receive the same level of subsidy currently provided under existing agreements until March 31, 2020. This will give community housing providers time to transition to the new rental assistance program, FCHI Phase 2, which will be implemented April 1, 2020. Phase 2 is not an extension or continuation of other programs or of these prior agreements. It will provide rental assistance funding from April 1, 2020 until March 31, 2028.

Préparé par Prepared by	Approuvé par Approved by	Secteur responsable Lead Sector(s)	Date/N° du fichier Date/Docket Number
Hugo P. Fontaine Parliamentary Affairs CMHC/ Affaires parlementaires, SCHL (613) 748-2895	Derek R. Antoine Manager / Gestionnaire Parliamentary Affairs CMHC/ Affaires parlementaires, SCHL (613) 748-2455	Client operations	October 30, 2019 QP190135