
SUBJECT

NATIONAL HOUSING STRATEGY

ISSUE

What is the status of initiatives under the National Housing Strategy?

KEY FACTS

\$55B+ investment over 10 years:

- **\$13.2B** for new and improved supply under the federally-managed **National Housing Co-Investment Fund**. (\$4.52 billion in grants and \$8.65 billion in low-interest loans.)
 - As of September 30, 2020, there have been over 171 approved applications issued for over \$1.8 billion in low-cost loans and over \$1 billion in requested contributions for a total commitment of over 76,900 new and repaired units.
- **\$13.75B** for the **Rental Construction Financing initiative (RCFi)**
 - The initiative provides loans that will run from 2017 to 2027 for the construction of 42,500 rental units in communities across Canada.
 - Borrowers benefit from loans with terms of 10 years combined with up-front CMHC mortgage loan insurance.
 - As of September 30, 2020, CMHC committed over \$7.8 billion under the RCFi to support the creation of over 23,500 units, of which close to 14,200 will be affordable.
- **\$200 million** over 5 years for the **Affordable Housing Innovation Fund**:
 - As of September 30, 2020, CMHC committed over \$183.2 million to support the creation of over 17,700 units, of over 15,000* will be affordable.
 - Over 4,100 units currently under construction.
- **\$200M** for the **Federal Lands Initiative**
 - As of September 30, 2020, seven agreements were signed representing a commitment of 420 units and \$11 million in contributions. 27 other properties, representing 6,400 potential units, are currently in negotiation.
- **\$500M** for CMHC-delivered **Federal Community Housing Initiative (FCHI)**.
 - Phase-1: As of August 31, 2020, \$42.3 million in subsidies were provided to over 25,700 housing units representing the extension of 857 projects reaching their end of operating agreement dates.
 - Phase-2 started on September 1, 2020 (delayed from April 2020 because of COVID-19) and will offer \$462 million from Sep 1, 2020 to March 31, 2028.
 - Phase-2: As of September 30, 2020, phase II has provided close to \$2M rent assistance to over 4,500 low income units.
- **\$1.25B** over the next 3 years for CMHC to implement the **First-Time Home Buyers Incentive**.
 - As of September 30, 2020, CMHC had committed \$173.1 million to the FTHBI representing 9,520 approved applications.
- **\$100M** over the next 5 years to fund existing providers of **shared equity mortgages**.
 - As of June 30, 2020, 15 providers have submitted applications. These are at various stages of underwriting, with no approval to date.
- **\$300M** for the new **Housing Supply Challenge** through the Impact Canada Initiative to invite communities and other groups to propose initiatives that break down barriers limiting new housing.
- **\$4M** for the **Expert Panel** on the Future of Housing Supply and Affordability over two years to support the Panel's work, and **\$5M** over two years for state-of-the-art housing supply modelling and related data collection.
- **\$4.3B** for the PT-delivered **Canada Community Housing Initiative** (totalling **\$8.6B** with expected PT cost-matching).

- **\$9.5B** in baseline funding for **existing social housing** under PT and federal administration.
- **\$2B** for a **Canada Housing Benefit** (totalling **\$4B** with expected PT cost-matching). The Canada Housing Benefit will deliver financial housing benefit provided directly to families and individuals in housing need and support at least 300,000 households across the country.
- **\$1.1B** for PT to address **distinct housing priorities** (totalling **\$2.2B** with expected PT cost-matching).
- **\$300M** for **Northern Housing**.
- **\$2.2B** for the **Homelessness Partnering Strategy** (delivered by ESDC).
- **\$241M** for research, data and demonstrations, including a **Technical Resource Centre** and **Community Based Tenant Fund**.

RESPONSE

- **Mr. Speaker, more than ever in the context of the COVID 19 pandemic, home has become a sanctuary - a place of safety and refuge. That is why our government is working to ensure that every Canadian has a safe and affordable place to call home.**
- **Launched on October 27, 2020, the Rapid Housing Initiative will provide a total of \$1 billion to create up to 3,000 new permanent units of affordable housing across Canada. We will do so by funding the construction of modular housing, acquisition of land, and the conversion of existing buildings.**
- **In the light of the COVID 19 pandemic, the launch date for phase 2 of the Federal Community Housing initiative was delayed. We've made sure that the levels of financial assistance were maintained until the beginning of phase 2 on September 1, 2020.**
- **The Government's National Housing Strategy has become a 10-year, \$55+ billion plan that will give more Canadians a place to call home.**
- **The Strategy is delivering concrete results. It is helping to create over 125,000 new housing units and repair another 300,000. It will remove as many as 530,000 households from housing need, and reduce chronic and episodic homelessness by 50 per cent.**
- **The Strategy is helping those most in need, including women and children fleeing situations of domestic violence; seniors; Indigenous peoples; persons with disabilities; those dealing with mental health and addiction issues; veterans; and young adults.**

If pressed on the Rapid Housing Initiative:

- While the funding for the Strategy spans a 10-year timeframe, the Rapid Housing Initiative is a rapid response to emerging pressures from COVID-19 pandemic. It is expected that all funds will be committed by March 31, 2021.
- This initiative, delivered in tandem with the National Housing Strategy (NHS), will help address urgent housing needs for vulnerable Canadians by rapidly creating new affordable housing. The initiative will also help support Canada's economic recovery by creating employment in the housing and construction sectors.
- The allocation methodology for the \$500 million Major Cities Stream was developed in consultation with the Federation of Canadian Municipalities. It considers cities with the highest incidence of renters in severe housing need according to 2016 Census data and number of people experiencing homelessness according to the latest point-in-time count data.
- Note that another \$500 million is available under the Projects Stream. This Stream is available through an applications-based process to any municipalities, PTs, Indigenous governing bodies and organizations, and non-profit organizations.

If pressed on the Human Rights-Based Approach to Housing:

- The Rapid Housing initiative is a great example where we are taking a human rights-based approach to housing by helping the most vulnerable populations. We will make them a priority, given the evident discriminatory impacts of COVID-19 pandemic on these populations.
- The passing of the National Housing Strategy Act represents a historic milestone for housing in Canada that binds future governments to having a strategy in place. The Act recognizes the right to adequate housing as a fundamental human right.
- The National Housing Strategy Act creates a Federal Housing Advocate and also establishes a National Housing Council. Together, they will help identify systemic barriers to accessing affordable housing and advise the Government on housing policy in Canada.
- As a matter of fact, we recently announced the membership of Canada's first National Housing Council.
- The new National Housing Council members were selected for their leadership in their respective fields, professional expertise, and/or lived experience. Their mandate is to further the housing policy of the Government of Canada and advance the National Housing Strategy.
- We also launch the Notice of Opportunity for the Federal Housing Advocate. Stay tuned.
- The Federal Housing Advocate's primary role is to independently monitor the implementation of the federal government's housing policy and to further the key principles of a human rights-based approach to housing.

If pressed on the Canada Housing Benefit:

- The Canada Housing Benefit (CHB), which took effect on April 1, 2020, provides funding directly to households to improve their housing affordability.
- The Government of Canada is providing \$2 billion for the CHB, which will be cost-matched by provinces and territories for a total \$4-billion investments over eight years, about 300,000 households are expected to receive the benefit by 2027-28.
- We are working with each province and territory to co-develop CHB programs that respond to their unique housing affordability challenges.
- Despite the COVID-19 pandemic, as of September, seven provinces have a signed agreement, and five of them, including Ontario, Nova-Scotia and Yukon have launched the Canada Housing Benefit program.
- Our government is continuing discussions with the other provinces and territories and looking at ways to accelerate the flow of funding into the hands of Canadians in need of assistance.

If pressed on the National Housing Co-Investment Fund:

- The \$13.2 billion National Housing Co-Investment Fund will help build, repair and renew of a range of housing that meets the needs of Canadians.
- The Fund will create up to 60,000 new high-performing and affordable homes near public transit, jobs, daycares, schools and healthcare services.
- Working with a range of partners, the Fund will also support:
 - more shelter spaces for survivors of violence;
 - transitional and supportive housing;
 - explore ways to make homeownership more affordable;
 - improve accessibility for people with disabilities by promoting universal design and visitability; and,
 - will support Canada's climate goals.

If pressed on the Federal/Provincial/Municipal Multilateral Partnership:

- To date, the Government has signed new bilateral agreements with all provincial and territorial partners, representing almost \$14 billion.
- Those 10 years agreements in joint funding will protect, renew and expand community housing, and support provincial priorities related to housing repairs, construction and affordability.
 - Ontario: joint investment of \$4.2 billion
 - British Columbia: joint investment of \$991.1 million
 - New Brunswick: joint investment of \$299.2 million
 - Northwest Territories: joint investment of \$139.4 million
 - Prince Edward Island: joint investment of \$14.93 million
 - Yukon: joint investment of \$59.92 million
 - Alberta: joint investment of \$678.1 million
 - Newfoundland and Labrador: joint investment of \$270.6 million
 - Saskatchewan: joint investment of \$449.9 million
 - Manitoba: joint investment of almost \$450.8 million
 - Nunavut: joint investment of \$339.2 million

- **Nova Scotia: joint investment of \$394.2 million**
- **Québec: joint investment of 3.7 billion**

- **The new agreements marks the beginning of partnerships that will be supported by long-term and predictable funding that started April 1, 2019.**
- **Federal, provincial and territorial governments are primary partners in housing and have a shared responsibility and complementary roles for housing.**
- **This is why we will work together under the Partnership to help make affordable housing more available, accessible and appropriate to help Canadians meet their needs.**

BACKGROUND

NATIONAL HOUSING STRATEGY

Canada's National Housing Strategy sets ambitious targets to ensure that unprecedented investments and new programming deliver results. This will include up to a 50% reduction in chronic and episodic homelessness, and as many as 530,000 households being taken out of housing needs. The National Housing Strategy will result in up to 125,000 new housing units and 300,000 repaired or renewed housing units.

Through new initiatives like the National Housing Co-Investment Fund, the community housing initiatives, and funding to the provinces and territories, the National Housing Strategy will create a new generation of housing in Canada. Our plan will promote diverse communities. It will build housing that is sustainable, accessible, mixed-income, and mixed-use. We will build housing that is fully integrated into the community— close to transit, close to work, and close to public services.

Expanded and reformed federal homelessness programming, a new Canada Housing Benefit, and a human rights-based approach to housing will ensure that the National Housing Strategy prioritizes the most vulnerable Canadians including women and children fleeing family violence, Indigenous peoples, seniors, people with disabilities, those dealing with mental health and addiction issues, veterans, young adults, and those experiencing homelessness. All programs in the National Housing Strategy will be based on best evidence and ongoing input from people with lived experience of housing need.

The National Housing Strategy is truly a national project, built by and for Canadians. The success of our plan requires collaboration from many partners. The National Housing Strategy invests in the provinces and territories, so all regions can achieve better and more affordable housing. It invests in municipalities, to empower communities to lead the fight against homelessness. It also creates new opportunities for the federal government to innovate through partnerships with the community housing sector, co-operative movement, private sector, and research community.

The National Housing Strategy respects the Government of Canada's commitment to working on a nation-to-nation, Inuit-to-Crown, government-to-government basis with Indigenous peoples, which is why the Department of Indigenous Services, with support from CMHC, is currently engaging with First Nations, Métis Nation, and Inuit partners to develop distinctions-based housing strategies.

The **National Housing Co-Investment Fund (NHCF)** provides capital contributions and low-cost loans with a total budget of \$13.2 billion and focuses on two key priority areas of the National Housing Strategy: new affordable housing supply and the repair and renewal of existing affordable and community housing supply.

The **Rental Construction Financing initiative (RCFi)** provides lower-cost loans to encourage the construction of rental housing across Canada, where the need for supply of rental is clearly demonstrated. It was introduced as an initiative providing up to \$3.75 billion in loans over 4 years starting in 2017. The initiative launched on April 20, 2017, and is now part of the NHS.

Budget 2019 expanded the RCFi, by making an additional \$10 billion available in financing over nine years to help build 42,500 new affordable rental units across the country.

Started in September 2016, the **Affordable Housing Innovation Fund** provides an investment of \$208.3 million over five years. The Fund encourages new funding models and innovative building techniques in the rental housing market. It seeks to support unique ideas that will revolutionize the affordable housing sector in the future. Of the \$208.3 million, \$200 million funds new projects and the remainder consists of administrative costs.

An investment of \$200 million is provided over 10 years, starting in 2018/19 for the **Federal Lands for Affordable Housing initiative**. The initiative makes surplus federal lands and buildings available to housing providers for less than market value for the construction and renewal of affordable housing.

New federal funding became available in April 2018, through the **Federal Community Housing Initiative**, to assist projects reaching their end of operating agreement date. This funding provides a temporary extension of subsidies in order to preserve affordability for vulnerable tenants and stabilize operations of community housing providers. It will also allow time for housing providers to transition to a new Phase II rental support program beginning in September 2020 (delayed from April because of COVID-19).

The **First-time Home Buyers Incentive (FTHBI)** was introduced through Budget 2019. Applications to the program were accepted starting in September 2019 and incentives began to be funded starting in November 2019. The program makes homeownership more affordable by allowing qualified first-time home buyers who meet the minimum down payment for an insured mortgage to finance a portion of their home purchase through a shared equity mortgage (SEM) with CMHC. The first-time homebuyer is required to repay the incentive amount after 25 years, when the property is sold, or at any time the borrower voluntarily chooses to repay the incentive, whichever comes first. \$1.25 Billion over three years has been reserved for the program

Budget 2019 introduced the **Shared Equity Mortgage Providers (SEMP) Fund**. It launched on July 31, 2019. This \$100-million lending fund supports existing shared equity mortgage providers. The Fund also encourages additional housing supply and helps attract new providers of shared equity mortgages. The Shared Equity Mortgage Providers Fund aims to assist in the completion of 1,500 new units and help at least 1,500 homebuyers buy their first home. The program offers eligible proponents repayable loans from one of two possible funding streams: Preconstruction Loans - Stream 1, and Shared Equity Mortgages (SEM) - Stream 2.

Federal/Provincial/Territorial NHS Investments

The Government has announced new bilateral agreements with all provincial and territorial partners, with total signed agreements representing **over \$14 billion** in joint funding over 10 years to protect, renew and expand community housing, and support provincial priorities related to housing repairs, construction and affordability.

Rapid Housing Initiative (RHI)

The Rapid Housing Initiative (RHI). A \$1 billion program to help address urgent housing needs of vulnerable Canadians, especially in the context of COVID-19, through the rapid construction of affordable housing.

The initiative provides capital contributions (upon signing a funding agreement with CMHC) under two streams to expedite the delivery of affordable housing. The RHI will:

- Support the creation of up to 3,000 new permanent affordable housing units
- Cover the construction of modular housing, as well as the acquisition of land, and the conversion/rehabilitation of existing buildings to affordable housing
- Aim to commit all funds before March 31, 2021, and ensure housing is available within 12 months of agreements

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