
SUBJECT**NATIONAL HOUSING STRATEGY**

ISSUE

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

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.**
- **Building on the National Housing Strategy, Budget 2021 plans to invest an additional \$2.5 billion and reallocate and accelerate \$1.3 billion in existing funding for the construction, repair, or support of 35,000 affordable housing units.**
- **Launched last fall, the \$1 billion Rapid Housing Initiative has exceeded its initial target and will now create more than almost 4,700 new permanent units of affordable housing across Canada, of which 1,806 are for Indigenous peoples.**
- **The Government's National Housing Strategy is 10-year, \$70+ billion plan that will give more Canadians a place to call home.**
- **The Strategy delivers concrete results. It helps to create over 125,000 new housing units and repair another 300,000. It is removing as many as 530,000 households from housing need, and the government is now focused on entirely eliminating chronic homelessness in Canada.**
- **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 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 populations made vulnerable. We make them a priority, given the evident discriminatory impacts that the COVID-19 pandemic has had on them.**
- **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 National Housing Council, I'm glad to report that the first members of the Council were appointed on November 22, 2020. The act also establish a Federal Housing Advocate. The selection process for the Advocate is being finalized and an appointment expected in 2021.**
- **Together, they will help identify systemic barriers to accessing affordable housing and advise the Government on housing policy in Canada.**

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.
- Budget 2021 plans to increase the CHB by \$315.4 million over seven years, starting in 2021-22, to increase direct financial assistance for low-income women and children fleeing violence to help with their rent payments.
- 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.
- Despite the COVID-19 pandemic, as of May, seven provinces and territories have signed agreements and launched the Canada Housing Benefit program.
- We have announced the following provincial/territorial Canada Housing Benefit agreements:
 - British Columbia \$517.7 million
 - Ontario \$1.5 billion
 - Saskatchewan \$135 million
 - Nova Scotia \$120 million
 - Manitoba \$154.6 million
 - Yukon \$18.2 million
 - New Brunswick \$98.3 million
- Provinces and territories that have launched the program have committed close to \$10M to support over 5,800 households as of December 31, 2020.
- Work is underway to finalize the design and delivery of the Canada Housing Benefit in the remaining provinces and territories that will respond to local housing affordability challenges.

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.**

BACKGROUND

KEY FACTS

\$70B+ investment over 10 years:

- **\$13.2B** for new and improved supply under the federally-managed **National Housing Co-Investment Fund (NHCF)** (**\$4.52 billion** in grants and **\$8.65 billion** in low-interest loans.)
 - As of March 31, 2021, there have been over 224 approved applications issued for over \$2.3 billion in low-cost loans and over \$1.3 billion in requested contributions for a total commitment of over 88,500 new and repaired units.
- **\$25.75B** for the Rental Construction Financing initiative (RCFi).
 - Budget 2021 proposed to repurpose \$300 million from the RCFi to support the conversion of vacant commercial property into housing with the aim of creating 800 units of market-based rental housing.
 - The initiative provides loans that will run from 2017 to 2028 for the construction of 71,000 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 March 31, 2021, CMHC committed over \$11.1 billion under the RCFi to support the creation of over 31,100 units, of which close to 18,300 will be affordable.
- **\$200M** over 5 years for the **Affordable Housing Innovation Fund (AHIF)**.
 - Budget 2021 proposed to extend the AHIF for seven years, starting 2021-2022, with an additional funding of \$600 million. This additional funding could support the creation of up to 12,700 more units.
 - As of March 31, 2021, CMHC committed over \$208 million to support the creation of over 19,100 units, of which close to 16,500 will be affordable.
 - Over 4,100 units currently under construction.
- **\$200M** for the **Federal Lands Initiative (FLI)**.
 - As of March 31, 2021, 10 agreements were signed representing a commitment of 1,600 units and \$20.4 million in contributions. 25 properties are also in the pipeline to support the creation of over 6,600 units.
- **\$500M** for CMHC-delivered **Federal Community Housing Initiative (FCHI)**.
 - Phase-1: As of September 30, 2020, \$42.2 million in subsidies were provided to over 26,700 housing units representing the extension of 982 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 March 31, 2021, phase II has provided close to \$14.8 million in rent assistance to over 5,200 low income units.
 - Budget 2021 proposes \$118.2 million over seven years, starting in 2021-22, through the Federal Community Housing Initiative, to support community housing providers that deliver long-term housing to many of our most vulnerable.
- **\$1.25B** over the next 3 years for CMHC to implement the **First-Time Home Buyers Incentive (FTHBI)**.
 - As of March 31, 2021, CMHC had committed \$216.5 million to the FTHBI representing 10,952 approved incentives.
- **\$100M** over the next 5 years to fund existing providers of **shared equity mortgages**.
 - As of March 31, 2021, one commitment of \$4 million has been made to support over 600 units.

- **\$1B** for the **Rapid Housing Initiative (RHI)** to address urgent housing needs for vulnerable Canadians by rapidly creating new affordable housing.
 - The initial **\$1B** supported the construction of 4,777 homes (vs. 3,000 initially targeted), of which 1,806 are for Indigenous peoples.
 - Budget 2021 propose **\$1.5 billion** for the RHI in 2021-22 to address the urgent housing needs of vulnerable Canadians by providing them with adequate affordable housing in short order. At least **25 per cent** of this funding would go towards women-focused housing projects, and units would be constructed within 12 months of when funding is provided to program applicants. Overall, this new funding will add a minimum of 4,500 new affordable units to Canada's housing supply.
- **\$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.
 - Budget 2021 propose **\$315.4 million** over seven years, starting in 2021-22, through the Canada Housing Benefit, to increase direct financial assistance for low-income women and children fleeing violence to help with their rent payments.
- **\$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).
 - Budget 2021 proposes to provide an additional **\$567 million** over two years for Reaching Home. This would generally maintain the 2021-22 funding levels announced in the 2020 Fall Economic Statement in response to the pressures of COVID-19.
- **\$241M** for research, data and demonstrations, including a **Technical Resource Centre** and **Community Based Tenant Fund**.

National Housing Strategy

Canada's National Housing Strategy sets ambitious targets to ensure that unprecedented investments and new programming deliver results. This initial target was 50% reduction in chronic and episodic homelessness, the government is now focused on entirely eliminating chronic homelessness in Canada, 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.

Budget 2021 propose:

- \$750 million in funding under the National Housing Co-Investment Fund, which is proposed to be advanced to 2021-22 and 2022-23. This will accelerate the creation of 3,400 new units, and the repair of 13,700 units.
- \$250 million in funding under the National Housing Co-Investment Fund, which will be allocated to support the construction, repair, and operating costs of an estimated 560 units of transitional housing and shelter spaces for women and children fleeing violence.

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. The 2020 Fall Economic Statement further committed by announcing an additional \$12B in available funding, through low-cost loans over seven years. This will allow the construction of 28 500 additional rental units.

Budget 2021 propose \$300 million in funding in 2021-22 and 2022-23 from the RCFi, which will be allocated to support the conversion of vacant commercial property into housing.

Started in September 2016, the **Affordable Housing Innovation Fund (AHIF)** 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.

Budget 2021 proposed to extend the AHIF for seven years, starting 2021-2022, with an additional funding of \$600 million. This additional funding could support the creation of up to 12,700 more units.

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).

Budget 2021 proposes \$118.2 million over seven years, starting in 2021-22, through the Federal Community Housing Initiative, to support community housing providers that deliver long-term housing to many of our most vulnerable.

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](https://www.cmhc-schl.gc.ca/en/nhs/federal-provincial-territorial-housing-agreements)¹ 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.

¹ <https://www.cmhc-schl.gc.ca/en/nhs/federal-provincial-territorial-housing-agreements>

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 (exceeded target to more than 4,700) 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.

Budget 2021 proposes \$1.5 billion for the RHI in 2021-22 to address the urgent housing needs of vulnerable Canadians by providing them with adequate affordable housing in short order. At least 25 per cent of this funding would go towards women-focused housing projects, and units would be constructed within 12 months of when funding is provided to program applicants. Overall, this new funding will add a minimum of 4,500 new affordable units to Canada’s housing supply.

Prepared by	Approved by	Lead Sector(s)	Date/Docket Number
Hugo P. Fontaine Parliamentary Affairs CMHC 613-748-2895	Patrick Perron Manager Parliamentary Affairs CMHC 613-748-2248	Client Solutions /Policy and Innovation	Mai 21, 2021 QP190124