

---

**SUBJECT****NATIONAL HOUSING STRATEGY**

---

**ISSUE**

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

---

**RESPONSE**

- **Mr. Speaker, housing affordability and housing supply are real challenges faced by many Canadians. That is why our government is working to ensure that every Canadian has a safe and affordable place to call home by expanding Canada's housing supply and continuing to advance our investments in affordable housing.**
- **The Government's National Housing Strategy (NHS) is 10-year, \$72+ billion plan that will give more Canadians a place to call home.**
- **The NHS delivers concrete results. It helps to create over 160,000 new housing units and repair another 300,000. It is removing as many as 530,000 households from housing need.**
- **The NHS 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 of how the National Housing Strategy takes a human rights-based approach to housing by helping vulnerable populations. 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* (the *Act*) in July 2019 was a historic milestone for housing in Canada that commits future governments to a national housing strategy.**
- **The *Act* recognizes that the right to adequate housing is a fundamental human right affirmed in international law and to further the progressive realization of this right.**
- **I'm glad to report that Marie-Josée Houle was appointed to be the first Federal Housing Advocate.**
- **Together, members of the National Housing Council and Advocate will help identify systemic barriers to accessing affordable housing and advise the Government on housing policy in Canada.**

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

- **The Government has signed bilateral agreements with all provincial and territorial partners, representing almost \$14 billion.**
- **These 10-year, joint funding agreements will protect, renew and expand community housing, and support provincial priorities related to housing repairs, construction and affordability.**
- **Federal, provincial and territorial governments are primary partners in housing and have a shared responsibility and complementary roles for housing.**
- **These bilateral agreements mark a renewed partnership in housing between the federal government, provinces and territories.**

---

## BACKGROUND

### KEY FACTS

#### **\$72B+ 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, 2022, there have been over 373 approved applications issued for over \$3.4 billion in low-cost loans and over \$1.7 billion in requested contributions for a total commitment of over 113,400 new and repaired units.
- **\$25.75B** for the **Rental Construction Financing initiative (RCFi)**
  - As of March 31, 2022, CMHC committed over \$12 billion under the RCFi to support the creation of over 37,700 units, of which close to 26,200 will be affordable.
- **\$800M** over 5 years for the **Affordable Housing Innovation Fund (AHIF)**:
  - 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, 19 commitments were signed representing a commitment of 3,200 units and \$108.8 million in forgivable loans and 14 properties are in the pipeline to support the creation of over 1,500 units.
- **\$4B** 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, of which 1,836 are for Indigenous peoples.
  - Budget 2021 proposed an additional **\$1.5 billion** for the RHI in 2021-22. The second round exceeded its target by creating 5,477 units.
  - Budget 2022, proposes to provide **\$1.5 billion** over two years, starting in 2022-23, to extend the RHI. This new funding is expected to create at least 6,000 new affordable housing units.
- **\$736M** 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: As of March 31, 2022, phase II has provided over \$45M rent assistance to over 6,100 low-income units.
- **\$1.25B** over the next 3 years (Budget 2022 proposes an extension until March 31, 2025) for CMHC to implement the **First-Time Home Buyers Incentive (FTHBI)**.
  - As of March 31, 2022, CMHC had committed \$285.1 million to the FTHBI representing 15,790 approved incentives.
- **\$100M** over the next 5 years to fund existing providers of **shared equity mortgages**.
  - As of March 31, 2021, 6 commitments of \$27 million has been made to support over 990 units.
- **\$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**.
- **\$2.7B** for the **Homelessness Partnering Strategy (delivered by ESDC)**.

**\$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 160,000 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 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 proposed:

- \$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.

Budget 2022 proposes to advance \$2.9 billion in funding, on a cash basis, under the National Housing Co-Investment Fund, so that all remaining funds will be spent by 2025-26, accelerating the creation of up to 4,300 new units and the repair of up to 17,800 units for the Canadians who need them most.

Budget 2022 proposes to reallocate \$500 million of funding on a cash basis from the National Housing Co-Investment Fund to launch a new Co-operative Housing Development Program aimed at expanding co-op housing in Canada.

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 proposed \$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.

Budget 2022 also proposes an additional \$1 billion in loans to be reallocated from the Rental Construction Financing Initiative to support coop housing projects.

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 extended 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 2022 announces an extension of the First-Time Home Buyer Incentive to March 31, 2025.

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 \$1 billion Rapid Housing Initiative (RHI) launched in October 2020 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 up to 100% in capital contributions. The first round of the initiative exceeded its target by creating 4,787 units.

Budget 2021 added \$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. The second round exceeded its target by creating 5,461 units.

Budget 2022 proposes to provide \$1.5 billion over two years, starting in 2022-23, to extend the Rapid Housing Initiative. This new funding is expected to create at least 6,000 new affordable housing units, with at least 25 per cent of funding going towards women-focused housing projects.

<b>Prepared by</b>	<b>Approved by</b>	<b>Lead Sector(s)</b>	<b>Date/Docket Number</b>
Hugo P. Fontaine Parliamentary Affairs, CMHC  613-748-2895	Patrick Perron Manager Parliamentary Affairs, CMHC  613-748-2248	Client Solutions /Policy and Innovation	May 13, 2022 QP190124