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Dear Marie-Josée Houle:

On behalf of the Government of Canada, I would like to thank you for your report, *Housing is a Human Right: The Office of the Federal Housing Advocate's 2021-22 Annual Report to the Minister*. Pursuant to subsection 17(1) of the *National Housing Strategy Act* (NHS Act), I am pleased to respond to your Report.

I appreciate your efforts to bring important housing issues to my attention. Your work as the Federal Housing Advocate is an important element of our human rights-based approach to housing and furthers the federal government's commitment to progressively realize the right to adequate housing as recognized in the International Covenant on Economic, Social and Cultural Rights.

As you know, there are significant housing challenges across the country. In 2016, 1.7 million Canadian households were in core housing need. In this same year, an estimated 129,127 people accessed an emergency shelter. Demand for all types of housing has surged, especially in fast-growing cities and large economic regions. Housing supply responses, including for non-market housing, have not kept up with demand, resulting in increased purchase prices and rents, which are rising faster than average incomes. Affordability has been particularly challenging for equity-deserving groups that are over-represented in core housing need, and COVID-19 has exacerbated these challenges.

Our Government recognizes this serious need for affordable housing, particularly for the most vulnerable populations, and the urgency with which we must address it. Housing has been a long-standing priority for us, as was most notably demonstrated by the creation of the National Housing Strategy (NHS) in 2017 and the enactment of the NHS Act in 2019.

At the core of the NHS and the NHS Act is our Government's commitment to ensuring that everyone in Canada has access to housing that meets their needs and that they can afford. The NHS puts people first and recognizes that housing is essential to the inherent dignity and well-being of the person and to building sustainable and inclusive communities. It considers human rights-based principles of accountability, participation, non-discrimination and inclusion, and contributes to the UN Sustainable Development Goals and the progressive realization of the international right to adequate housing.

Since 2017, the NHS has grown from a \$40-billion plan to a more than \$72-billion plan, with a primary focus on addressing the housing needs of vulnerable populations. NHS programs are informed by consultations with all orders of government, Indigenous people, governments and organizations, people with lived experience of housing need and homelessness, housing providers, and the private and non-profit sectors, among others. The NHS also benefits from a whole-of-government approach that considers factors beyond housing to support the creation of sustainable and inclusive communities.

Our Government has also proven its commitment to addressing Canada's housing challenges by creating a new Cabinet role. As Minister of Housing and Diversity and Inclusion, I am focused on delivering an NHS that takes into account key principles of a human rights-based approach to housing. To support this, we included significant additional investments in Budget 2022 to increase housing supply in Canada and make housing more affordable. We have proposed to extend the Rapid Housing Initiative to quickly build more affordable housing units, particularly for those experiencing or at risk of homelessness; a new Housing Accelerator Fund to help accelerate the development of 100,000 net new housing units across the country; and the advancement of funding under the National Housing Co-Investment Fund to create and repair affordable housing, among other measures.

Budget 2022 also proposed investments that will allow us to continue providing doubled annual funding for Reaching Home: Canada's Homelessness Strategy to prevent and reduce homelessness across the country, to launch a new Veteran Homelessness Program that will provide services and rent supplements to veterans experiencing homelessness, and to conduct research about what further measures could contribute to eliminating chronic homelessness.

Your appointment as Canada's first Federal Housing Advocate in February 2022 was an important step for Canada to further the progressive realization of the international right to adequate housing, and the first such role internationally. I am grateful for the hard work that you and your office have done over the past year, culminating in your 2021-22 Annual Report. I would now like to address your recommendations.

Taking a whole-of-government approach to housing and homelessness

Our Government recognizes that housing is not a stand-alone issue. Housing is linked to many other federal priorities, including infrastructure, immigration, health, environment, and Indigenous reconciliation. Coordinated action among federal departments is necessary to reduce barriers to housing, especially for disadvantaged groups, and ensure an intersectional, whole-of-government approach to policies and programs, including housing policy. For example, Canada Mortgage and Housing Corporation (CMHC) and Infrastructure Canada (INFC) are represented at multiple interdepartmental committees to ensure that housing and homelessness are considered in the development of federal policy touching a range of issues, especially those pertaining to vulnerable populations, including Indigenous housing; gender-based violence; seniors; people with disabilities; women and children; and the LGBTQ2S+ community. CMHC and INFC also collaborate with federal colleagues, National Indigenous Organizations, and Indigenous governments on Indigenous housing and homelessness and related issues from both policy and operational perspectives. And through a new interdepartmental human rights forum, departments will collaborate to ensure international human rights obligations, including the right to adequate housing, are considered in domestic policy development.

Federal departments are also represented on the National Housing Council, established under the NHS Act. The Council serves as an accountability and participatory mechanism through its diverse and expert members, who work to further the government's housing policy and the NHS by providing advice to the Minister. The President and CEO of CMHC and the Deputy Ministers of Indigenous Services Canada and INFC are ex-officio members of the Council, contributing to a whole-of-government approach to the Council's work.

In addition to ensuring a collaborative approach to policy development, the federal government is committed to applying a Gender-based Analysis Plus (GBA+) lens to all federal policies and programs. This involves deepening our understanding of intersecting identity factors, and how people may experience housing and homelessness policies differently. A rigorous GBA+ analysis is applied to the development of all NHS initiatives, going beyond gender to consider other identity factors such as race, age, socio-economic background, mental and physical ability, and geography. This approach has supported the creation of programs that directly address the diverse needs of people experiencing housing instability and homelessness, such as the National Housing Co-Investment Fund, Rapid Housing Initiative, and Reaching Home: Canada's Homelessness Strategy. I will continue to support the Minister for Women and Gender Equality and Youth in this important work.

Our Government is also serious about combatting systemic racism, discrimination, and xenophobia. As Minister of Housing and Diversity and Inclusion, I lead a government-wide effort to advance equity and inclusion within

all ministerial portfolios. I am committed to continuing to strengthen and support the work of the Federal Anti-Racism Secretariat to ensure a whole-of-government approach in addressing systemic racism, including through increased capacity and resources.

With respect to the NHS, I had the honour of tabling the first NHS triennial report to Parliament, *Building the Future Together: 2020 National Housing Strategy Progress Report*, on May 31, 2021. It outlined the federal government's achievements in the first three years of the NHS.

That Report, our regular reporting, and responses to reports of the Federal Housing Advocate, are necessary to ensure we are accountable to Canadians on furthering the progressive realization of the international right to adequate housing.

Prioritizing the housing needs of vulnerable populations

Certain populations disproportionately experience housing challenges and homelessness. A foundational principle of the NHS is to address the housing needs of the most vulnerable, including women and children fleeing domestic violence, seniors, Indigenous peoples, those experiencing or at-risk of homelessness, people with disabilities, those dealing with mental health and addiction issues, veterans, the LGBTQ2S+ community, young adults, racialized groups including Black Canadians, and recent immigrants and refugees.

During the development of the NHS, CMHC undertook nationwide consultations with provinces and territories, housing sector participants and experts, and organizations representing people with lived experience of housing need and homelessness. The input we received was integrated into the design of the NHS. Results of these consultations can be found in the *Let's Talk Housing: What We Heard* report.

Throughout the NHS, our policy and program teams continue to consult people with lived experience of housing need and homelessness. We have spoken with women of different ages, backgrounds, geographic regions and socio-economic status through forums such as the Pan Canadian Voice for Women's Housing annual symposium; Black Canadians and Black-led organizations; Indigenous organizations, communities and leaders, among many others, to incorporate their voices and viewpoints into housing initiatives and policy design. I recognize, however, that we must do more to ensure stronger representation of the perspectives and experiences of people with lived experience of housing need and homelessness.

The NHS also prioritizes applications for housing projects that will serve these and other vulnerable populations, and focuses on deepening the understanding of their housing needs to inform policy development and program delivery. For

example, at least 25% of NHS investments will support the unique housing needs of women and their children. As of December 31, 2021, the NHS has committed an estimated \$7.1 billion, including funding for the construction, repair, and support of approximately 340,000 housing units, toward meeting the housing needs of this group. This represents over 28% of all NHS funding committed.

Furthermore, under the National Housing Co-Investment Fund, specific targets promote social and economic inclusion for individuals and families, including for the creation or repair of at least 4,000 shelter spaces for survivors of family violence; the creation of at least 7,000 new affordable units for seniors; and the creation of at least 2,400 new affordable units for people with developmental disabilities. As of March 31, 2022, CMHC has committed funding to support the creation of over 2,000 new shelter spaces and the repair of over 700 shelter spaces, and the creation of over 4,900 senior units and 600 units for people with developmental disabilities.

The NHS also supports the development of inclusive and accessible communities. NHS initiatives, including the National Housing Co-Investment Fund, the Rental Construction Financing initiative, and the Rapid Housing Initiative, prioritize projects that include accessibility features and are located close to transit, services and supports, and employment opportunities. National Housing Co-Investment Fund and Rental Construction Financing initiative projects must also have either universal or barrier-free design or include common areas that meet or exceed local accessibility requirements.

Furthering Canada's progressive realization of the international right to adequate housing and ensuring the housing needs of vulnerable populations are met are responsibilities shared by all orders of government. Federal, provincial and territorial governments are primary partners in housing and have a shared responsibility and complementary roles for housing. In April 2018, federal, provincial, and territorial ministers responsible for housing endorsed a multilateral Housing Partnership Framework, which commits to achieving better housing outcomes for Canada. The multilateral Framework asserts a shared vision for housing and sets the foundation for bilateral agreements on the delivery of NHS initiatives.

The Government of Canada has signed bilateral agreements with all Provinces and Territories (PTs), under which PTs cost-match and deliver federal NHS funding and have the flexibility to use this funding to address the housing needs of priority populations in their respective jurisdictions. In total, these agreements represent over \$15 billion in joint funding over 10 years to protect, renew and expand community housing, and support PT priorities related to housing repair, construction, and affordability. This includes:

- \$8.6 billion over 9 years for the Canada Community Housing Initiative, which supports social housing providers delivering subsidized housing to

- low-income Canadians. As of March 31, 2022, PTs had committed over \$839 million to support over 146,900 community housing units.
- \$4 billion over 8 years for the Canada Housing Benefit, which provides funding directly to households to help them afford their housing costs. As of March 31, 2022, PTs had committed over \$297 million to support over 133,100 households.
 - \$2.2 billion over 9 years for PT Priority Funding, which supports regional needs and priorities and can include building new and repairing existing social and affordable housing and providing affordability support. As of March 31, 2022, PTs had committed over \$1.2 billion to support over 90,200 units and/or households.
 - \$300 million over 10 years in Funding for the Northern Territories, which does not require territorial cost-matching, to help offset the higher need and cost of housing in the North. As of March 31, 2022, the Territories had committed \$120 million to support over 1,400 units, of which 320 are new units, over 380 are repair units, and 760 are rent supplements.

The NHS is constantly evolving to address housing gaps, especially those faced by vulnerable populations. Updates to NHS programs are informed by data, research, and feedback from clients, stakeholders and program evaluations. For example, we are applying lessons learned from stakeholder feedback and the success of the Rapid Housing Initiative to make the National Housing Co-Investment Fund more flexible and easier to access, including with more generous contributions and faster approvals. We have also committed to reform the Rental Construction Financing initiative by strengthening its affordability and energy efficiency requirements.

Given the ambitious nature of the NHS, triennial stock takes are built in to ensure that we review the performance of NHS programs to improve housing outcomes for Canadians. Furthermore, your work as the Federal Housing Advocate to consult with members of vulnerable groups, persons with lived experience of housing need, and persons with lived experience of homelessness, will help ensure that these voices are heard. You will be complemented in this regard by the work of the National Housing Council, as well as by government-initiated consultations with people with lived experience.

Partnerships are essential to the development of good housing policy, especially policy that addresses the needs of vulnerable populations. We recognize that more work is needed to strengthen partnerships to address housing challenges and homelessness, and we will strive to make progress in this regard.

Addressing Indigenous housing challenges and homelessness

Our Government understands that access to safe and affordable housing is critical to improving health and social outcomes and to ensuring a better quality

of life and future for Indigenous communities and children. We acknowledge, however, that there is still much work to do, which is why improving Indigenous housing outcomes is a priority.

We are committed to a renewed nation-to-nation relationship with Indigenous Peoples, guided by the principle that Indigenous nations are self-determining, self-governing, and rightfully aspire to having strong and healthy communities.

Through NHS consultations in 2017, the Government of Canada heard that there was a need to co-develop distinctions-based housing strategies in partnership with First Nations, Inuit, and Métis Nation partners, to achieve the best results. These distinctions-based strategies are developed by and for Indigenous communities. Indigenous Services Canada and Crown-Indigenous Relations and Northern Affairs as federal lead departments, supported by CMHC, are working with Indigenous partners to advance distinct housing strategies that will support their visions of self-determination and lead to better social and economic outcomes for their communities.

Under the NHS, all programs prioritize funding for projects that serve Indigenous people and families. Proposals for projects supporting Indigenous people are reviewed through separate and more flexible processes to help reduce barriers and ensure that more projects serving Indigenous communities are funded. For example, under the first two rounds of the Rapid Housing Initiative, over 40% of units created will support Indigenous people.

There is also programming and funding exclusively for Indigenous and Northern housing. This includes:

- \$724.1 million for a comprehensive Violence Prevention Strategy, which will expand access to a continuum of culturally relevant supports for Indigenous women, children and 2SLGBTQQIA+ people facing gender-based violence. This strategy, which is part of the Government's response to the National Inquiry into Missing and Murdered Indigenous Women and Girls, will support new shelters and transition housing for First Nations, Inuit and Métis peoples across the country, including on reserve, in the North and in urban areas. CMHC will allocate \$420 million over 5 years to support the construction of new shelters and transitional housing. Indigenous Services Canada will invest \$304.1 million over five years, and \$96.6 million annually, to support the operational costs of new shelters and transition homes and expand funding for culturally relevant violence prevention activities.
- The Shelter Initiative will provide \$44.8 million over 5 years as part of the COVID-19 Economic Response Plan to build 12 shelters (10 in First Nations communities and two in the territories) to help protect and support Indigenous women and girls experiencing and fleeing violence.

- The \$300-million First Nations Market Housing Fund promotes and supports the expansion of market-based housing in First Nation communities. It is a standalone fund which has grown to \$360 million and has guaranteed 419 housing units as of December 31, 2020.
- The Government of Canada is also committed to supporting the co-development of an Urban, Rural, and Northern Indigenous Housing Strategy. This strategy aims to solely address the unique housing needs of the 80% of Indigenous households in Canada living off-reserve, a first for Canada. Budget 2022 announced \$300 million over five years, starting in 2022-23, through CMHC to co-develop and launch this strategy.

We know that what gets measured, gets done. That is why federal departments are tracking the data related to these housing programs and monitoring the number of units constructed, renovated and repaired on a regular basis in relation to community housing needs. More can be done to improve housing data collection and transparency, and the national data advisory committee on housing is helping to make these systemic improvements.

Our Government's work aligns with the United Nations Declaration on the Rights of Indigenous Peoples Act (UNDRIP), including prioritizing work that improves housing outcomes for Indigenous peoples. We continue to work with Indigenous peoples to improve housing infrastructure, support education and childcare, take action on the tragedy of missing and murdered Indigenous women and girls, and respond to the Truth and Reconciliation Commission's Calls to Action. We acknowledge that Indigenous peoples have the right to determine and develop priorities and strategies for exercising their right to development per Article 23 of UNDRIP. That is why our engagement with Indigenous partners on housing is proceeding on a nation-to-nation and by Indigenous, for Indigenous basis.

Budget 2022 proposes an additional \$11 billion over six years to continue to support Indigenous children and families and help Indigenous communities continue to grow and shape their futures. In addition to funding for the co-development of an Urban, Rural, and Northern Indigenous Housing Strategy, this funding includes \$4.3 billion over seven years, starting in 2022-23, for improving and expanding Indigenous housing in Canada, which includes:

- \$2.4 billion over five years to support First Nations housing on reserves;
- \$565 million over five years to support housing in Self-Governing and Modern Treaty Holder First Nations communities;
- \$845 million over seven years to support housing in Inuit communities; and
- \$190 million over seven years for housing in Métis communities.

It also includes \$150 million over two years, starting in 2022-23, to support affordable housing and related infrastructure in the North. These new investments are an important step forward and we are committed to getting these

funds to communities and partners as quickly as possible so that the international right to adequate housing is progressively realized for all Indigenous Peoples in Canada.

Generations of children were robbed of the chance to grow up surrounded by their loved ones, language, and culture—whether due to the tragedy of residential schools, or as a result of child welfare services. Indigenous children were taken into care citing poor housing conditions and continue to be disproportionately represented in the foster care system. Canada has acknowledged the harms suffered and will allocate \$2 billion of the \$20 billion provided for long-term systemic reform of the First Nations Child and Family Services program to target the housing needs of First Nations children once a final settlement agreement is reached.

Indigenous people are also overrepresented amongst the homeless population. The experience of colonialism and intergenerational trauma, as well as ongoing systemic discrimination puts Indigenous people at greater risk of experiencing the factors contributing to homelessness, and therefore to homelessness itself. Through Reaching Home: Canada's Homelessness Strategy, a total of \$413 million over nine years (2019-20 to 2027-28) is dedicated to address Indigenous homelessness in urban centres. In addition, Reaching Home is working with distinctions-based partners (the Assembly of First Nations, the Métis National Council and its governing members, the Manitoba Métis Federation, and Inuit Tapiriit Kanatami and the four Inuit regions) to co-develop and fund distinctions-specific homelessness approaches and programming. Reaching Home also provides funding to a number of modern treaty holders to help prevent and reduce homelessness with a focus on service delivery and culturally appropriate supports.

Maintaining and expanding the affordable housing stock

Our Government is aware of concerns about the financialization of housing. In Budget 2022, we announced a federal review of housing as an asset class, to better understand the role of large corporate players in the market and the impact on Canadian renters and homeowners. Further details on the review will be released later this year.

We are also focused on maintaining and expanding Canada's affordable housing supply through the NHS, which will help to address affordability challenges across the country. As of March 31, 2022, CMHC has made over \$20 billion in commitments to support:

- the creation and repair of over 183,500 units (over 91,500 new units and repair to more than 92,000 units); and
- the continued availability of over 32,900 community housing units through the Federal Community Housing Initiative where long-term social housing operating agreements have expired, through direct supports for more than 6,100 low-income community housing units.

In addition, to help make housing affordable for Canadians, CMHC offers both funding opportunities and mortgage loan insurance products to support the construction, purchase, and refinancing of rental properties. With approximately 30% of Canadians relying on rental housing to meet their housing needs, these funding opportunities are a vital component in ensuring the long-term supply and sustainability of rental housing in Canada.

In March 2022, CMHC launched MLI Select, an innovative new multi-unit mortgage loan insurance product designed to increase the supply and preservation of rental units with a specific focus on affordability, accessibility, and climate compatibility. Borrowers are offered a range of incentives such as reduced premiums and longer amortization rates based on their level of commitment to affordability, accessibility, climate compatibility, or a combination of the three. Incentives are available for new construction and purchase or refinance. By increasing rental supply and preserving existing rental stock, Canadians, including those in core housing need, will have more rental options.

Measuring the results of the NHS

The goal of the NHS is to ensure Canadians can access housing that meets their needs and that they can afford. Over 10 years, the NHS will:

- reduce chronic homelessness by 50%;
- remove 530,000 families from housing need;
- invest in the construction of up to 160,000 new homes and repair 300,000 more; and
- protect 385,000 community housing units and expand the stock by another 50,000 units.

We continue to make progress on meeting NHS targets. Funding committed as of March 31, 2022, is expected to create over 106,100 new housing units and repair over 254,600 housing units, and provide affordability support for over 200,800 households. Additionally, as of March 31, 2022, funding has been committed to provide assistance to over 290,000 households in housing need. Public reporting on the NHS is available at www.placetocallhome.ca.

We are also developing new ways to report on the success of the NHS, including through case studies and research on how the NHS addresses the distinct housing needs of priority populations. We also recognize disaggregated data is essential to developing evidence-based policies that will advance our efforts to combat racism, ensure equity, and progressively realize the international right to adequate housing. CMHC is working with partners, including lenders, housing providers and PTs, to improve data collection and sharing. Important tools such as the Canadian Housing Survey are also helping to identify who the NHS is helping and the broader impacts of the Strategy. We remain open to ideas to improve our understanding of housing needs through data and to enhance our reporting on the NHS.

Learning from COVID-19

COVID-19 has highlighted, and deepened, housing and homelessness issues. This is especially the case for many of the most vulnerable people in Canada.

The Government of Canada moved swiftly to minimize the impacts of the pandemic on Canadians. Through federal emergency supports such as the Canada Emergency Response Benefit, the Canada Emergency Wage Subsidy, and the Canada Emergency Business Account, we managed to stabilize household finances, support millions of jobs, and keep small businesses afloat. We helped homeowners by ensuring they had access to mortgage payment deferrals. We quickly launched the Rapid Housing Initiative, now a \$2.5-billion program, to help address the urgent housing needs of vulnerable Canadians.

Furthermore, since March 2020, our Government has announced a total of \$1.3 billion in additional funding for Reaching Home to support communities in addressing the needs of people experiencing or at-risk of homelessness in the face of COVID-19. This funding goes to on-the-ground community organizations to support the implementation of health and safety measures to prevent the spread of COVID-19 among those who are homeless, including in shelters. In 2020, we expanded Reaching Home to six new communities, making this funding available to even more people across the country. We have taken a whole-of-government approach to support the homeless-serving sector throughout the pandemic, including by providing specific health guidance. In future, we must remember the lessons we have learned from the pandemic, and the important role that affordable housing and related supports and services have played in ensuring the health and safety of people across the country.

I thank you again for this report and its recommendations, which will help inform our Government's work. I acknowledge that, while we are making significant efforts to address housing challenges, we must continue to do more. This includes working to better understand how best to support those most in need and continuing to collaborate across governments, with non-profit organizations and other housing stakeholders, to provide this support. We are committed to a human rights-based approach to housing, and I look forward to working together to continue furthering Canada's progressive realization of the international right to adequate housing.

Yours sincerely,



The Honourable Ahmed Hussien, P.C., M.P.
Minister of Housing and Diversity and Inclusion