

Written Submission for the Pre-Budget Consultations in Advance of the Upcoming Federal Budget

By: Canadian Centre for Housing Rights

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- **Recommendation 1:** Align the National Housing Strategy with the commitments made through the National Housing Strategy Act, ensuring that Canada's 10-year housing strategy will advance the right to housing in Canada.
- **Recommendation 2:** Develop and Implement an Urban, Rural and Northern Indigenous Housing Strategy led by Indigenous communities and for Indigenous communities.
- **Recommendation 3:** Expand and formalize NHS programs that support people experiencing homelessness, including those who are experiencing hidden homelessness.
- **Recommendation 4:** Leverage government assets and expand investments to increase the supply of new deeply affordable housing options and finance their operation which includes public housing, non-profit housing and co-operative housing.
- **Recommendation 5:** Develop and implement a federal acquisition program that will support municipal and regional governments to preserve at-risk rental housing that maintains affordability levels, keeps tenants housed and increases the supply of deeply affordable homes.
- **Recommendation 6:** Deepen investments in repairing Canada's aging social housing stock and preserve the structural integrity of this critical housing option for low-income people.
- **Recommendation 7:** Invest in programs that promote the construction of affordable purpose-built rental housing and ensure affordability is within reach for low- to moderate-income families.
- **Recommendation 8:** Stabilize housing for tenants across Canada by expanding the Canada Housing Benefit and require provincial and territorial governments to provide the benefit as additional income support for recipients rather than an option to pick from among various social assistance supports.
- **Recommendation 9:** Urgently respond to the growing financialization of housing through tax reforms and the introduction of a targeted capital gains tax that discourages speculation in the housing market.
- **Recommendation 10:** Adequately fund bodies and programs that support the progressive realization of the right to housing.

ABOUT CCHR

The Canadian Centre for Housing Rights (CCHR) is one of Canada's leading non-profit organizations working to advance the right to housing. Founded in 1987, CCHR has worked tirelessly for 35 years at the intersection of human rights and housing. We advance the right to housing by serving renters to help them stay housed, providing education and training about housing rights, and advancing rights-based housing policy through research, policy development, advocacy and strategic litigation.

INTRODUCTION

Canada's affordable and adequate rental housing crisis continues to disproportionately impact renters living on low- to moderate-incomes, and people experiencing housing precarity and homelessness. They live across Canada, in urban and rural areas, struggling to keep up with rising rents and the escalating costs of other necessities like food, transportation, and medicine. The rental housing crisis is disproportionately felt by Indigenous people, Black households, racialized communities, young adults, single households, lone-parent households, newcomers, people with disabilities and people living on fixed incomes.

Canada has moved in the right direction to address what is a systemic problem, by first committing to progressively realizing the right to housing. This commitment to ensure accessible, adequate, secure and affordable housing for all Canadians, is reflected in the government passing the National Housing Strategy Act (NHSA) and the National Housing Strategy (NHS). In fact, investments in programs in the NHS have increased over time.

However, the results are mixed. While 2021 Census data points to improvements in core housing need, including among lowest income households, this is likely because of the pandemic-era Canada Emergency Response Benefit. In addition, while renters are now a larger share of the housing market, they are being hit hardest by the affordability crisis. Affordable housing options for many low- and moderate-income renters remain out of reach. And yet housing policies tend to favour homeowners.

In 2023, Canada must prioritize investments for renters as their proportion in the housing market is projected to increase, and those most impacted by precarity and unaffordability tend to be renters. CCHR's recommendations for the Federal 2023 budget draw on rights-based principles to effectively address the housing crisis.

RECOMMENDATIONS

1. Align the National Housing Strategy (NHS) with the principles of the National Housing Strategy Act (NHSA)

The NHSA sets an important foundation to advance the right to housing across Canada. All NHS programs must also be refined against rights-based principles. This means ensuring that maximum available resources are being deployed in a way that prioritizes those most in need. Currently, NHS initiatives such as the Rental Construction Financing Initiative are not reflecting such principles given the lack of affordable housing options produced through the program. Alignment between the NHSA and NHS also involves frequent and ongoing engagement with impacted communities to develop and implement existing programs and reflect on whether all available tools have been utilized by the government to ensure housing is accessible, secure, affordable, habitable, culturally adequate and well located.

2. Develop and Implement an Urban, Rural and Northern Indigenous Housing Strategy

Canada must commit to developing and implementing an Urban, Rural and Northern Indigenous Housing strategy led by Indigenous Communities and for Indigenous communities. Increasing investments and commitments to supporting Indigenous communities and organizations must be a priority for the government to address the housing needs of Indigenous communities.

3. Expand and enhance Reaching Home and the Rapid Housing Initiative

The Reaching Home program has played an important role in preventing and reducing homelessness in Canada. To build on this success, the program should be expanded to respond to the needs of people experiencing hidden homelessness - people who are staying temporarily with family and friends, couch surfing, or forced to live in unsafe situations - across the country. Those experiencing hidden homelessness are often women, girls and gender-diverse people. An expansion of the Reaching Home program to include more diverse experiences of homelessness would ensure that all unhoused people are supported to live dignified lives. In addition, the federal government should strengthen the Rapid Housing Initiative which has proven effective in responding to the urgent needs of unhoused people. This means making the Initiative a permanent fixture and leveraging other NHS programs to sustain operations.

4. Leverage government assets and expand investments in deeply affordable housing

Lack of public investments for decades has reduced the supply of deeply affordable housing options across Canada. While social housing waitlists grow, the markets are not producing suitable, affordable alternatives. Public housing, non-profit housing and co-operative housing options can once again play a leading role in alleviating the housing affordability challenges faced by lower income people. To help the sector thrive once again, the federal government should enhance existing programs such as the Federal Lands Initiative and the Co-Investment Fund. By making better use of public lands and public investments, more deeply affordable options can be created sustainably. To ensure long

term success, the federal government should also commit to financing the operations of the public and community housing sectors over the long term. This will not only increase housing options for marginalized communities but will also provide the sector the certainty it needs to keep doors open. The government should also ensure that application processes for the sector to receive funding is streamlined so that housing providers can focus on delivery instead of administration.

5. Develop and implement a federal acquisition program

Responding effectively to the housing crisis will require an increase in the supply of the right type of housing, as well as the protection of existing affordable housing stock. The loss of affordable housing leads to more fiscal pressures on municipal governments to meet the housing needs of their residents. It also means that many tenants, in particular those living on lower incomes, are displaced from their homes and communities. Many municipalities are interested in protecting existing affordable housing but are faced with limited revenue tools to effectively carry out an acquisition program. With the financial support of the federal government, municipal governments can acquire at-risk rental housing and turn them into permanent affordable homes operated by non-profit housing providers. Portions of the Housing Accelerator Fund can be leveraged toward such initiatives. Additionally, a federal investment stream could help municipal initiatives to convert underused or commercial assets to increase the supply of deeply affordable housing.

6. Repairing Canada's aging public housing stock

The chronic state of disrepair in Canada's aging public housing stock has left many low-income Canadians living in unhealthy and unsafe living conditions. With no affordable alternatives, they have no option but to remain in such inadequate conditions. The significant amount of capital needed to improve the structural integrity and habitability of these homes has often meant looking to private investments. However, this is not a sustainable or reliable option. Federal initiatives such as the Co-Investment Fund should therefore be expanded to support provincial and municipal governments' efforts to repair and revitalize public housing projects. The investments should be measured against the extent to which they are improving the living conditions of public housing residents.

7. Promote the construction of affordable purpose-built rentals

As the share of renters increases, purpose-built rentals can provide a secure and stable housing option. They tend to have lower rents than the growing secondary condominium market. The federal government should therefore continue to incentivize the construction of purpose-built rentals through funding, financing and tax incentives. However, such public investments should produce affordable rentals instead of luxury rentals that are out of reach for low- to moderate-income households. Introducing stringent criteria under the Rental Construction Financing stream will ensure that affordable private market rentals are created. Furthermore, the federal government can lay down conditions for the construction of purpose-built rentals using public funding as long as affordability is maintained for as long as possible.

8. Stabilize housing for lower income renters

Many tenant households paying unaffordable rents can face major challenges in maintaining their housing if faced with income loss or other disruptions in their lives. Supporting renters to stabilize their housing will ensure that they have access to secure homes. Increases to the Canada Housing Benefit should be sustained to adequately meet the needs of lower income households. Guidelines should also be provided for provincial governments highlighting the Benefit as additional income support as opposed to an option for households to pick among other social assistance supports.

9. Curb the growing financialization of housing

Financialized actors and institutions have had a growing impact on housing security and affordability across Canada. The growing treatment of housing as a vehicle to accumulate wealth has worsened socioeconomic inequities. The federal government can play a significant role in responding to the growing speculative forces in housing, and the increased role that financialized actors play in reducing peoples' access to secure, adequate and affordable homes. For example, it signalled a review of housing as an asset class in its 2022 budget. However, this is only a start. More urgent and systemic responses are needed, such as a targeted capital gains tax, as part of tax reforms to discourage speculation in the housing market and reallocate investments into more productive areas of the economy.

10. Support the implementation of the right to housing in Canada

The federal government should continue to provide supports to programs and government bodies that advance the right to housing in Canada. This means adequately funding the Office of the Federal Housing Advocate and the National Housing Council. It also means building the collective capacity of tenants and housing advocates across the country to drive rights-based housing strategies in their communities.

The federal government plays an integral role in ensuring that everyone in Canada has access to adequate, secure and affordable homes. The recommendations in this submission outline some of the ways that the federal government can support those most impacted by housing precarity and unaffordability. When everyone in Canada has the opportunity to live in adequate, secure and affordable homes, we all prosper.

Sincerely,



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