



NEWS THAT CAN'T WAIT

newsflash

Attention CHRA Members

CHRA released a [press statement](#) last evening reacting to the Federal Budget announcement an additional \$2.075 billion affordable housing investment to be spent over 2 years. This is more or less the level of short-term investment that CHRA had been calling for, and is a significant contribution to efforts to address housing need across Canada. Here are the facts:

- \$1 billion will be invested in the renovation and retrofit (including energy retrofit) of Canada's social housing inventory.
- \$400 million will be invested in the creation of housing for low-income seniors.
- \$75 million will flow into the development of housing for people with disabilities.
- \$400 million will go to on-reserve housing for First Nations- both new units and renovation of existing housing.
- \$200 million will be spent on northern housing- both new units and renovation of existing housing.
- These investments are in addition to the previously-announced \$1.9 billion over five years for the renewal of the Homelessness Partnering Strategy, Affordable Housing Initiative and Residential Rehabilitation Assistance Program.
- The funding announced in yesterday's budget **requires** 50-50 cost-sharing with the provinces and territories for the federal money to flow
- The investments for people with disabilities and for low-income seniors will flow through the Affordable Housing Initiative
- The \$1 billion renovation and retrofit fund "...will flow through existing agreements and be administered by the [CMHC]..."
- The investments in on-reserve housing "...will flow through [CMHC] and Indian and Northern Affairs..."

As Derek Ballantyne, CEO of Toronto Community Housing, was quoted in the Toronto Star as saying yesterday, "It's the first time the money has been coming for the repair of social housing. So that's a pretty big deal." CHRA couldn't agree more with Derek. But as pleased as we are, and we expect you are, with this significant injection of federal money targeted to Canadians in need, our enthusiasm is tempered by some significant shortcomings and issues with this spending plan. They are:

- If you are a low-income Canadian but not a senior, disabled, living on a reserve or living in the North, this budget will do nothing to improve your prospects for affordable housing. This leaves out families, the urban aboriginal population, and [many other](#) low-income Canadians.

- The previously announced \$1.9 billion over five years will inject approximately \$134 million per year to address homelessness, and \$125 per year for new affordable housing that isn't specifically targeted at the federal level, but these investments do not compensate for the lost opportunity this budget provided to aggressively increase Canada's affordable housing inventory.
- All but \$475 million of this stimulus spending could be directed to renovations and retrofits, adding very little to new supply.
- While provincial and territorial governments do have primary responsibility for housing, and recognizing that their investments in social housing are critical, making 50-50 cost-sharing a requirement of this funding could hamper its speedy deployment while arrangements are worked out, and could leave low-income Canadians in provinces that either cannot or will not match federal spending on housing without needed support.
- In the face of these shortcomings to housing investments for low-income Canadians, billions will go to subsidize home renovations that include driveway resurfacing and the construction of backyard decks for able-to-pay Canadians through the new Home Renovation Tax Credit. This money, and the focus of Canada's available construction capacity, would have been much **better** directed to meeting the housing needs of low-income Canadians.

There are also some important questions to which CHRA will seek answers in the coming days. They include:

- Are all non-profit housing providers eligible to receive renovation and retrofit funding, and how will this funding be allocated?
- What is the status of cost-sharing talks with the provinces and territories?
- What changes, if any, will be made to the administration of existing programs through which this funding will flow in order to accelerate the allocation of dollars or adapt to new goals and requirements of the stimulus spending?
- Should uptake in the Home Renovation Tax Credit program fall short of targets, will the federal government redirect unused dollars to construct new housing for low-income Canadians?

Do you have questions about this announcement that you would like CHRA to ask on your behalf? If so, please send them to CHRA's acting executive director, Geoff Gillard, by Monday, February 2.

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