

January 26, 2016



The Honourable Bill Morneau  
Minister of Finance  
House of Commons  
Ottawa, Ontario  
Canada K1A 0A6

Dear Minister Morneau:

**RE: ONPHA's Recommendations for the 2016 Federal Budget**

Affordable housing builds strong cities and vibrant communities. An affordable home means that families are healthier, neighbourhoods are more prosperous, and children have the opportunity to reach their full potential. Unfortunately, one in four Canadians cannot afford a safe and secure place to call "home".

At the Ontario Non-Profit Housing Association (ONPHA), the staff and volunteers of our more than 700 member organizations know first-hand the difference that an affordable home makes to Canadians. As landlords, they house more than 400,000 people in 220 communities, including some of Canada's most vulnerable and marginalized citizens – those living in or near poverty, fleeing violence, transitioning out of homelessness, or living with developmental disabilities, mental illness, addiction, or HIV/AIDS.

Last year's federal election demonstrated that affordable housing is an important issue for Canadians. We are heartened to see the Trudeau Government's commitment to create a national housing strategy and its recognition of the importance of investing in social infrastructure like affordable rental housing. We encourage you to consider the following recommendations as you prepare the 2016 Federal Budget. They will help your government meet the housing needs of



Canadians, prolong the life of critical community assets and boost local capacity and economies.

We recommend the federal government:

### **1. Expand the supply of affordable housing**

Federal funding for affordable housing has declined for more than 20 years. As a result, affordable rental housing construction has dropped and nearly one in five Canadian renter households pay more than half of their income on shelter. The high cost of housing crowds out spending on other basic needs and makes it difficult for families to succeed.

The Trudeau Government has committed to investing \$20 billion in social infrastructure over the next decade. We encourage the government to direct a significant portion of that investment to the construction of new affordable rental housing.

We echo the Canadian Housing and Renewal Association's (CHRA) call to build 100,000 new units of affordable and social housing. These new units will help to meet the growing demand for housing in Canada and will assist families and seniors struggling with housing costs, shelter insecurity and homelessness. New affordable housing construction also has the added benefit of creating jobs and stimulating local economies, both of which are priorities for your government.

### **2. Help maintain social housing assets**

In addition to increasing the supply of affordable housing, it is also critical to invest in the infrastructure deficit facing social housing providers across Canada. In Ontario, the capital needs of the sector are estimated at more than \$2.6 billion. The federal government must partner with the provinces and territories to protect homes that are currently threatened by a lack of funding for maintenance and renewal. There are more than 168,000 households waiting for social housing in



Ontario alone. Investment in existing social housing assets helps ensure that these households will have the opportunity to access an affordable home.

### **3. Ensure the sustainability of housing providers**

ONPHA urges the federal government to renew funding for non-profit and co-operative housing providers that are approaching the end of their operating agreements with the federal government. In addition to helping providers pay off their mortgages, these agreements include operating subsidies that enable them to offer units at low-end-of-market rents or rents that are geared to households' incomes. While their mortgages will be paid off when the agreements expire, many providers do not receive enough rental revenue to remain viable. These providers primarily house vulnerable residents such as low-income Aboriginal families, and increasing rents to compensate for lost federal funding would make it difficult for their tenants to afford their rents, placing them at increased risk of eviction and homelessness.

The federal government must continue to make its annual \$1.7 billion investment in Canada's affordable rental housing system. Doing so will enable housing providers to continue to house more than 600,000 households in communities. The funding could provide rent supplements to ensure that units remain affordable, as well as grants for capital repair and maintenance of aging buildings, with an emphasis on improving energy efficiency.

### **4. Provide CMHC with a renewed mandate**

Since the mid-1990s, CMHC has taken a backseat in the development of affordable housing, leaving other levels of government to do the heavy lifting. It is time for CMHC to resume their role as a leader in the development of affordable housing. If given a robust mandate by the federal government, we believe that CMHC can once again play a strong role in the sector.



ONPHA is encouraged by the direction given to Minister Duclos in his mandate letter. Through loan guarantees and capital contributions, the new Canada Infrastructure Bank can go a long way towards increasing the number of affordable rental homes for Canadian families. We applaud the active role that CMHC will take in this initiative, and hope that this is the first signal that Canada's housing agency is once again in the business of creating affordable housing.

### **5. Increase funding to prevent and end homelessness**

Each year, approximately 235,000 Canadians experience homelessness. While past governments provided communities with funding through the Homelessness Partnering Strategy, in 2013 the amount of annual funding was reduced. The Strategy has been extended to 2019, but more must be done to help homeless Canadians and those at-risk of homelessness.

We ask the Federal Government to restore funding for the Housing Partnering Strategy to its original level, and to increase the annual commitment to account for inflation and rising housing costs. An updated federal commitment will help communities and municipalities fund housing and support services for more individuals trying to exit homelessness.

We also request that the eligibility requirements for the Strategy be expanded to fund social and clinical supports for individuals living in social housing. Currently, social housing providers can only access support funding for individuals housed in their market rent units or similar units in the private rental market. However, many individuals exiting homelessness receive rent-gear-to-income subsidy and live in social housing communities. By allowing these households to also receive support services, the federal government will help more families break the cycle of homelessness and maintain successful tenancies.



Thank you for the opportunity to participate in the Federal Government's 2016 pre-Budget consultation process.

Sincerely,

Meg McCallum

President

ONTARIO NON-PROFIT HOUSING ASSOCIATION

cc. Hon. Jean-Yves Duclos, Minister of Families, Children and Social Development

Hon. Amarjeet Sohi, Minister of Infrastructure and Communities