

ONPHA's Analysis of the 2021 Federal Budget: Top Five Takeaways for Community Housing

On April 19, 2021, the federal government released its first budget in over two years, presented by Finance Minister Chrystia Freeland, the first woman in Canadian history to present a budget in the House of Commons. [Budget 2021: A Recovery Plan for Jobs, Growth, and Resilience](#), commits over \$100 billion in new spending toward a post-pandemic recovery, building on investments in the [Fall Economic Statement 2020](#), and following through on some key commitments made in the [Speech from the Throne](#).

With a strong focus on employment, small businesses, climate action, and communities most impacted by COVID-19, the budget also makes a number of positive and significant [housing-related commitments](#), accompanied by a recognition that “investments in affordable housing can act fast to create jobs and prosperity.”

However, ONPHA shares the disappointment of our sector partners, including the [Canadian Housing and Renewal Association](#) (CHRA) and the [Co-operative Housing Federation of Canada](#) (CHF Canada), around the absence of a dedicated strategy and/or funding toward much needed urban, rural, and northern Indigenous housing. Following our [pre-budget submission](#) and [response to the Standing Committee study on urban, rural, and northern Indigenous housing](#), ONPHA continues to highlight the need for dedicated, sustainable funding to support an Indigenous-led strategy for urban, rural, and northern Indigenous housing to address the disproportionate rates of Indigenous core housing need and poverty, and advance along the path to reconciliation.

Among the budget’s key housing investments is an **additional \$1.5 billion through the Rapid Housing Initiative**, plus expansion of the **Affordable Housing Innovation Fund** and the **Canada Housing Benefit**. ONPHA strongly supports these critical investments, but would have liked to have seen the adoption of our [recommendations](#) for immediate stabilization funding for the community housing sector, and increased, dedicated funding for community housing renewal and growth. We will continue [advocating](#) for the critical role of housing to stimulate Canada’s socioeconomic recovery. Track our housing sector “wins” in the budget [here](#).

Following through on the government’s long-term promise, the budget’s landmark commitment invests **\$30 billion over the next five years toward a Canada-wide early learning and childcare system**. Recognizing the significant losses in women’s workforce participation due in large part to pandemic-related childcare responsibilities, this commitment is critical to ensure a more equitable recovery, addressing decades-long advocacy to increase economic opportunities for women, especially for racialized and other marginalized



women. ONPHA strongly supports this historic investment in childcare, which will undoubtedly help to increase affordability for families across Canada.

Read on for the top five takeaways from the 2021 Federal Budget for community housing providers, staff, and tenants, including investments and opportunities for housing, extension of emergency supports, support for workers, support for seniors, people with disabilities, and mental health, and support for Indigenous communities and anti-racism initiatives.

1. Investments and opportunities for housing

As indicated above, the budget made a number of housing-related investments, including \$2.5 billion in additional funding, and the advancement and reallocation of \$1.3 billion of previously announced funding. Included in the new funding is the **additional \$1.5 billion for the Rapid Housing Initiative (RHI)**. Over the next seven years, **\$600 million is dedicated to renew and expand the Affordable Housing Innovation Fund, \$315.4 million for the Canada Housing Benefit, and \$118.2 million for the Federal Community Housing Initiative.**

The reallocated funds primarily advance previously committed funding through the **National Housing Co-Investment Fund**, including **\$750 million now available in 2021-22** to build 3,400 new units and repair 13,700 units, plus **\$250 million to support the construction, repair, and operation of transitional housing and shelter spaces for women and children fleeing violence**. To support the conversion of vacant commercial property to housing, **\$300 million will be available over the next two years from the Rental Housing Construction Financing Initiative.**

Reiterating the government's commitment to eliminating chronic homelessness, the budget allocated an **additional \$567 million over two years beginning in 2022-23 for Reaching Home: Canada's Homeless Strategy** (maintaining elevated 2021-22 funding levels), in addition to **\$45 million over the same time period to pilot a veterans homelessness program**, which would provide rent supplements and wrap-around services (e.g., counselling, addiction treatment, job supports).

Beyond expansion to National Housing Strategy (NHS) programs, the budget also committed **\$4.4 billion to support deep home retrofits**, which includes dedicated funding to support low-income homeowners and rental properties serving low-income renters, including community housing providers. In addition, the budget intends to implement an **annual 1% tax on vacant, non-resident, non-Canadian residential properties**, effective January 1, 2022, which is estimated to generate \$700 million in revenue over four years.



ONPHA's analysis

While these new and accelerated funding opportunities are welcome, ONPHA is concerned that they will not go far enough to meet the rapidly growing need for safe, affordable housing across the country, due to pre-existing affordability challenges that have been compounded by the disproportionate impacts of COVID-19 on low-income and other marginalized communities. In ONPHA and CHF Canada's [Affordable Housing Plan for Ontario](#), we identify the need for an annual federal investment of \$840 million over ten years (total of \$8.4 billion) in Ontario alone to renew the community housing sector's 260,000 units, and build the required 99,000 affordable and supportive units. Importantly, these numbers do not capture the increased need due to COVID-19.

Moreover, the budget's housing investments will not help to stabilize community housing providers in the face of extraordinary COVID-19-related costs, which continue to threaten the sustainability of the sector (as some providers are redirecting funds from their capital reserves to support immediate operational challenges). As such, ONPHA continues to call for immediate stabilization funding for community housing providers, as well as investment in the required renewal of 260,000 units and construction of 99,000 affordable and supportive units.

We were pleased to see additional investments in the Canada Housing Benefit, and understand that the success of the program relies on cost-matching from provinces and territories. However, we also recognize that low-income and other marginalized households already facing affordability challenges have been disproportionately impacted by pandemic-related job and income loss, leading to unprecedented and unmanageable levels of rental arrears, which has an especially acute impact on community housing providers. We continue to call for the implementation of a targeted arrears management program and/or rental relief for low-income households, prioritizing high-risk, marginalized households, to mitigate cascading impacts of rental arrears, and prevent evictions and an increase in homelessness.

ONPHA also continues to hear from members and sector partners about the barriers associated with accessing funding through existing NHS programs. With respect to the Co-Investment Fund, providers continue to face challenges related to financial restrictions, administrative burdens, and prohibitive construction requirements, with long timelines for disbursement impacting projects on the ground. The RHI has posed similar challenges for community housing providers, particularly related to meeting short application and development timelines, as well as limited overall funding available to providers. Importantly, these capital construction and repair streams do not include accompanying operating funding, nor requirements from provinces or territories to contribute toward operating expenses.

In a roundtable discussion with the Minister of Families, Children and Social Development (responsible for housing) following the release of the budget, the Minister indicated that there



may be opportunities to reshape the distribution of this new round of RHI funding based on sector feedback, as details have yet to be determined. Following [CHRA's recommendations](#) to improve the RHI (which includes the need for accompanying operating funding and a dedicated stream for urban, rural, and northern Indigenous housing), ONPHA is looking forward to opportunities to share input from the Ontario community housing context, and will keep members informed about engagement opportunities.

As noted above, ONPHA is very concerned about the absence of dedicated commitments and/or investments for Indigenous-led urban, rural, and northern Indigenous housing solutions in the budget. While the Minister noted that opportunities for Indigenous housing are available through the new and reallocated funding through the NHS programs, we are concerned that these programs lack specific targets and/or allocations for off-reserve Indigenous housing, and continue to highlight the critical need for dedicated, sustainable funding for the vast, growing needs of Indigenous people in urban, rural, and northern settings.

However, ONPHA was pleased to learn that the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities (HUMA) is expected to provide recommendations to the government in short order on the path forward to work with Indigenous partners on urban, rural, and northern Indigenous housing solutions. We are also continuing to advance work on the development of a community-led Implementation Plan for ONPHA's [Urban and Rural Indigenous Housing Plan for Ontario](#) in partnership with Indigenous community housing providers and partners, which includes ongoing engagement with all levels of government.

ONPHA supports the government's intention to implement an annual tax on non-resident vacant residential properties, and were very pleased that the budget recognized that these revenues can help to support housing affordability. However, ONPHA would like to see the government commit to allocating these significant revenues (estimated at \$700 million over four years) towards investment in the renewal and growth of affordable housing, along with other new tax revenue streams committed in the budget (e.g., from the sales of luxury cars, boats, and personal aircrafts).

As part of our ongoing advocacy efforts, ONPHA continues to recommend that housing-related revenues be reallocated to the growth, preservation, and operation of the community housing sector. Retaining housing related tax revenues within the housing sector is critical to ensuring the system's sustainability and in managing the long-term affordability of housing for all Canadians over time. Directing these revenues toward affordable housing would present an enormous opportunity to help ensure that affordability challenges do not worsen as the housing market continues to heat up, providing an economic catalyst for housing affordability.



2. Extension of emergency supports

Recognizing the longevity of the pandemic and its impacts on workers, small businesses, and the economy, the budget committed to **extending a number of existing emergency supports until September 25, 2021**, while gradually decreasing rates beginning July 4. This will apply to the **Canada Emergency Wage Subsidy**, the **Canada Emergency Rent Subsidy**, and **Lockdown Support**.

In addition, **up to 12 additional weeks of support (\$500/week) will be available through the Canada Recovery Benefit** (to a maximum of 50 weeks), with decreased rates after the first four additional weeks (\$300/week). The **Canada Recovery Caregiving Benefit will also offer an additional four weeks of support (\$500/week)**, to a maximum of 42 weeks.

Following the end of the broad-reaching support offered through the Canada Emergency Response Benefit in the fall and reprioritization of the Employment Insurance (EI) system, the government **waived the waiting period for EI beneficiaries who establish a new claim between January 31 and September 25, 2021**. Further, the budget committed **\$3.9 billion over the next three years to make EI simpler and more accessible**. The budget also announced forthcoming consultations on future, long-term reforms to EI.

ONPHA's analysis

ONPHA strongly supports the extension of these critical emergency measures, recognizing that they have helped to ensure the ongoing operations of many non-profit organizations, including community housing providers, while also supporting their staff and tenants. However, we are concerned that the decreases in the subsidy and benefit rates may be premature, especially as Ontarians continue to face challenges accessing COVID-19 vaccinations.

Moreover, these benefits are unlikely to meet the vast needs of renters facing unprecedented levels of rental arrears, along with ongoing challenges paying unaffordable rents. As stated above, ONPHA continues to call for expanded emergency income assistance to include rent relief and/or arrears management for unemployed and low-earning tenants.

In addition, many advocates across public health, local government, and other community organizations had hoped that the Canada Recovery Benefit would be amended to increase access and funding, especially in the absence of provincial paid sick leave in Ontario.

3. Support for workers

To substantiate the decline in the government's emergency supports in the coming months, a number of new programs were introduced in the budget to support workers for the longer term. This includes the **Canada Recovery Hiring Program**, which would provide a subsidy to eligible employers to increase employee wages or hours, or hire more staff (available from



June 6 to November 20, 2021). The budget also committed **\$960 million over the next three years for a new Sectoral Workforce Solutions Program** to help design and deliver training, and recruit and retain a diverse and inclusive workforce.

In addition, the budget committed **\$8.9 billion over six years in the Canada Workers Benefit** to support approximately one million low-wage workers, legislation to establish a **federal minimum wage of \$15/hour** (only applicable to workers in the federally regulated private sector), and legislative changes to **improve labour protection for workers in the gig economy** (e.g., short-term contracts, freelance work, etc.).

While not directly tied to employee support or training, the budget's substantial investment in childcare will have significant implications for workforce participation, especially among women. The budget earmarked up to **\$30 billion over the next five years (plus \$8.3 billion ongoing) to implement \$10/day childcare across Canada by 2026** (requiring a 50/50 cost-share with provinces and territories). Ahead of that deadline, the budget also committed to decreasing childcare costs by 50% by the end of 2022.

ONPHA's analysis

ONPHA is pleased to see ongoing support for workers, especially those working in low-wage and precarious settings. In particular, we look forward to the rollout of the new Sectoral Workforce Solutions Program, which our members have expressed interest in to help build greater capacity in the community housing sector.

However, in the absence of targeted residential rent relief and/or arrears assistance, along with expanded and increased access to paid sick leave noted above, ONPHA is concerned that these measures will not meet the growing, diverse needs of Canada's workforce, especially those most significantly and disproportionately impacted by COVID-19, including Indigenous, Black, and other racialized communities, 2SLGBTQQIA+ people, low/limited-income people, and people with disabilities.

Moreover, while the childcare investments are very welcome and will certainly go a long way to support women's re-engagement in the workforce, those changes (and their impacts) will not be realized for several years, and further, will not address other barriers women (especially racialized and other marginalized women) face to accessing adequate, sustainable employment. Importantly, the development of a national childcare system is also contingent on negotiations with and significant contributions from the provinces and territories.

4. Support for seniors, people with disabilities, and mental health

Following up on previous commitments in the Speech from the Throne, the budget committed **\$3 billion over five years (beginning in 2022-23) to support provinces and territories in**



applying standards for long-term care. Recognizing the significant precarity and increased costs to seniors during the pandemic, **\$90 million over the next three years is dedicated to launch the Age Well at Home initiative** to support low-income seniors to age in place, along with **increases to Old Age Security (OAS) benefits for seniors age 75 and older** (through a one-time payment of \$500 in August 2021, plus legislation to increase regular OAS payments for seniors 75 and over by 10% on an ongoing basis as of July 2022).

The budget also recognizes the parallel mental health crisis accompanying the pandemic, investing **\$45 million over the next two years toward the development of national mental health service standards**, **\$100 million over the next three years for mental health supports for populations disproportionately impacted by COVID-19** (including healthcare workers, front-line workers, youth, seniors, Indigenous people, and racialized and Black communities), and **\$597.6 million over the next three years for a distinctions-based mental health and wellness strategy with First Nations, Inuit, and the Métis Nation.**

To increase accessibility and supports for people with disabilities, the budget committed **\$11.9 million over the next three years to consult on reforms to the eligibility process for federal disability programs and benefits**, plus **\$100 million over the next two years to triple funding for the Enabling Accessibility Fund**, which funds renovations, retrofits, and accessible technologies in workplaces (including non-profit organizations).

ONPHA's analysis

ONPHA welcomes these investments and supports, which will have positive impacts for community housing providers, as well as their staff and tenants. However, we are concerned with the absence of commitments and/or investments in an integrated approach to supportive housing to meet the diverse, growing housing needs of Canadians (and help eliminate chronic homelessness). Currently, Ontario has less than half of the supportive housing units required for mental health and addictions alone, not including persons with other disabilities nor the growing needs related to COVID-19.

ONPHA continues to call for dedicated, sustainable investment from all levels of government toward an integrated approach to supportive housing.

5. Support for Indigenous communities and anti-racism initiatives

Despite the lack of funding committed for urban, rural, and northern Indigenous housing, the budget earmarked significant investments to support Indigenous communities, as well as initiatives to combat systemic racism.

To continue supporting COVID-19 responses in Indigenous communities, **\$1.2 billion is dedicated for ongoing public health responses (\$478.1 million) and the Indigenous Community Support Fund (\$760.8 million)**, available to First Nations, Inuit, Métis Nation



communities, and urban and off-reserve Indigenous organizations. In addition, the budget committed **\$4.3 billion over the next four years for the Indigenous Community Infrastructure Fund**, which supports infrastructure projects in First Nations, Inuit, and Métis Nation communities, plus **\$1.7 billion over the next five years (with \$388.9 million ongoing) for operations and maintenance costs of community infrastructure in First Nations communities on reserve.**

To action on the National Action Plan **in response to the National Inquiry into Missing and Murdered Indigenous Women and Girls' Calls for Justice and the Truth and Reconciliation Commissions' Calls to Action**, the budget committed **\$2.2 billion over the next five years** (with \$160.9 million ongoing). **\$74.8 million over the next three years is dedicated to improve Indigenous access to justice and develop an Indigenous justice strategy** to address the overrepresentation of Indigenous people in the justice system. **\$31.5 million over the next two years is earmarked to support the implementation of legislation to align Canadian law and policy with the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP).**

Recognizing the need for Indigenous-led data strategies, over the next three years, the budget also committed **\$73.5 million to continue the development and implementation of a First Nations Data Governance Strategy**, along with **\$8 million to develop Inuit and Métis Nation data strategies.**

With respect to broader anti-racism initiatives, the budget committed **\$172 million over the next five years (with \$36.3 million ongoing) to Statistics Canada to implement a Disaggregated Data Action Plan**, plus **\$11 million over the next two years for the Canadian Race Relations Foundation**, **\$200 million to establish a new Black-led Philanthropic Endowment Fund**, and **\$100 million for the Supporting Black Canadian Communities Initiative.**

ONPHA's analysis

ONPHA is in strong support of these initiatives and investments, which will help to address the vast needs and inequities facing Indigenous, Black, and other racialized communities. We were also pleased to see opportunities for off-reserve Indigenous organizations in urban and rural settings to access funding through the Indigenous Community Support Fund, and look forward to opportunities to advance Indigenous-led housing solutions through the implementation of UNDRIP.

While it is critical for First Nations, Inuit, and Métis Nation communities to have access to dedicated, distinctions-based funding streams to support community infrastructure development and operations, it is equally important for access for Indigenous communities in



urban, rural, and northern areas (approximately 80% of Indigenous people in Canada, and 85% in Ontario).

As ONPHA continues work on the development of a community-led Urban and Rural Indigenous Housing Implementation Plan for Ontario, we will also continue to advocate for a national “For Indigenous, By Indigenous” urban, rural, and northern Indigenous housing strategy. These approaches are instrumental to support progress along the path to reconciliation, and would help meet many of the government’s ongoing commitments (reiterated in the budget), including addressing many of the recommendations in the Final Reports of the Truth and Reconciliation Commission and the National Inquiry into Missing and Murdered Indigenous Women and Girls, helping to mitigate the over-representation of Indigenous people in the health, justice, and social services systems, and strengthening Indigenous-led data initiatives.

While we strongly support targeted efforts to support anti-racism initiatives, we recognize that racialized and other marginalized communities disproportionately impacted by COVID-19 continue to require a breadth of supports informed by community experience and expertise, including access to culturally-relevant, affordable and/or supportive housing, and arrears management and/or rental relief. In addition, critical, sustained action is required by governments at all levels to dismantle systemic racism, advance reconciliation, and invest sustainably and equitably in communities.

Other noteworthy items

The budget committed **\$400 million for a temporary Community Services Recovery Fund to support non-profits and charities to adapt and modernize** (e.g., to remote work and online programming), plus **\$140 million for the Emergency Food Security Fund and Local Food Infrastructure Fund**.

In addition, an **additional \$1 billion over the next six years was dedicated to the Universal Broadband Fund to accelerate the rollout of broadband projects and increase access to high-speed internet in rural and remote communities** (in partnership with provinces and territories).

Notably, the budget did not deliver on universal basic income (UBI) or pharmacare, both of which were key areas of focus at recent federal political policy conventions. However, the government committed to engaging with willing partners on national universal pharmacare, though identified it as an initiative that can be advanced at the provincial and territorial level.



ONPHA's next steps

ONPHA will continue engaging with governments at all levels to ensure housing is central to socioeconomic recovery planning by continuing to advocate for:

- Immediate stabilization funding for community housing providers
- Arrears management and/or rental relief for unemployed and low-earning tenants
- Investment in community housing renewal and growth
- Support for urban, rural, and northern Indigenous housing
- An integrated approach to supportive housing

We will keep members informed about upcoming engagement opportunities to share input from the Ontario community housing context.

If you have any questions about the budget or want to share feedback to inform ONPHA's advocacy, please reach out to policy@onpha.org.