

Municipalities and affordable housing

An estimated 235,000 people experience homelessness every year in Canada, mostly in our municipalities. Canada Mortgage and Housing Corporation (CMHC) has determined that far more – over 1.7 million households – are in core housing need, meaning their housing is unsafe, unsuitable, or unaffordable.

These households are disproportionately led by women, and feature an overrepresentation of Indigenous peoples, people with disabilities, immigrants and refugees, youth and older adults, and members of racialized communities.

As a signatory to the *UN Convention on Economic, Social and Cultural Rights*, Canada is obligated to ensure the right to adequate housing for all people in Canada. Adequate housing is affordable housing that is in good repair, with security of tenure and land. It is culturally appropriate and must include access to public services and infrastructure, schools and employment. The UN Special Rapporteur on Adequate Housing has made it clear that achieving adequate housing for all requires national housing strategies with progressive government policies and programs that treat housing as a right rather than a marketplace commodity.

Under the *UN Declaration on the Rights of Indigenous Peoples*, Canada is also obligated to ensure the right of Indigenous peoples to be involved in developing and determining housing programs affecting them and the right to self-govern those programs. Canada is also committed to the 2030 Agenda for Sustainable Development which requires the elimination of homelessness by 2030.

Municipalities have long struggled to address Canada's housing crisis, which has been made increasingly difficult by lack of funds, an aging housing stock, and market forces that have made homes in some cities unaffordable, even for well-paid households. Insofar that it is long overdue, the National Housing Strategy released by the Trudeau government in 2017 is a welcome development – but it is not enough.

2018 federal budget

The federal government's 2018 budget, the first after the introduction of the National Housing Strategy, included \$1 billion over five years for Indigenous housing for First Nations, Inuit and Metis, but most of that comes from existing funding. The government also allowed CMHC to increase the loans it can provide under its Rental Construction Financing Initiative from \$2.5 billion to \$3.75 billion to increase the supply of housing. However, this budget did not provide sufficient funding for low-income or social housing.

As such, this budget did very little to clarify or operationalize the commitments made in the government's National Housing Strategy:

- While the government projects that the additional funding for the Rental Construction Financing Initiative will result in 14,000 additional

rental housing units and relieve pressure on moderate and middle-income families in large metro areas like Toronto and Vancouver, it will do nothing to clear the backlog of repairs and renovations necessary to maintain the existing affordable housing stock.

- The Canadian Housing and Renewal Association (CHRA) called for the federal government to provide dedicated funding for repairs and renovation of existing social housing, and dedicated funding for new social housing. This did not appear in the budget.
- The Federation of Canadian Municipalities noted that this budget missed the opportunity to kick-start the National Housing Strategy and delayed the necessary funding for critical social housing repairs that are currently ready to go ahead.
- Introducing an energy retrofit program for low-income households would both reduce expenses for low income households and be good for the environment. There is no money budgeted for this.

2019 federal budget

Unfortunately, the 2019 budget did not go any further toward addressing the real issues of the affordable housing crisis, and instead introduced a number of market-based incentive programs that will drive up household debt and postpone critical maintenance and repairs.

This budget will allow first time home buyers to borrow \$35,000 from their RRSPs to use on a down-payment, an increase from the current limit of \$25,000. This money must then be repaid over the next 15 years. The problem is that fewer than half of workers age 25-33 have an RRSP and of those that do, the median amount is only \$7,000. This measure may help a few high-income individuals but does

nothing to change the underlying trends that are making renting and owning housing unaffordable.

Likewise, this budget allows CMHC to lend home-buyers up to 10% of the purchase price of a home, to reduce the size of the mortgage required. In order to qualify, you need to be a first-time home buyer, have at least 5% cash for a down payment, have a total household income below \$120,000, and the total amount of the mortgage plus CMHC incentive has to be less than 4 times your household annual income. This measure may assist first-time home buyers with moderate to high incomes in some real estate markets, but it does nothing to help those in poverty, those experiencing systemic housing insecurity, or those in Canada's most expensive real estate markets.

The need for a long-term affordable housing strategy

Jennifer Keesmaat, former Chief Planner for the City of Toronto, asserts that "everyone in our country needs to be housed – full stop." To realize this, municipalities have tools at their disposal, such as strategic land use planning to zone for affordable rental units where they are scarce, or demolition and conversion policies to ensure existing housing stock is meeting a community's needs. However, in order to ensure housing is affordable for lower income households, land use planning tools must be combined with the provision of non-market, community-based housing through properly funded federal-provincial programs.

Many CUPE members work directly in the provision of social housing, and many more work in supported housing for those at risk of homelessness and in the delivery of housing support services, such as mental health supports and employment counselling. Our members know firsthand that housing security is a basic human right that allows people to participate fully in the community.

Canada has a precious stock of social housing across the country which has developed under a patchwork of government programs since the 1950s. Due to government neglect, this stock is unsustainable and has left provinces and municipalities struggling to meet housing needs. Generous government funding is critical to ensure that this stock remains off the market and is well-maintained and in good repair.

In addition to the protection of our existing social housing stock, the creation of new non-market rental housing will be central to achieving the right to housing in Canada. Long-term programs for community-based, non-market housing are the most effective way to guarantee this right, and they help to curb housing and land speculation and the overheated housing markets which help create the affordability crisis faced by so many Canadians. The federal government must play a leadership role in providing public funds and land for this housing and in collaborating with provincial governments to ensure programs for non-market housing that significantly increase the supply of affordable, adequate housing.

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