National Housing Council

Conseil national du logement

RENEWING CANADA'S NATIONAL HOUSING STRATEGY

A Report to the Minister of Housing and Diversity and Inclusion on the National Housing Strategy from the National Housing Council

April 2023

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The Honourable Ahmed Hussen
MINISTER OF HOUSING AND DIVERSITY AND INCLUSION

House of Commons
Ottawa, Ontario
Canada, K1A 0A6

Dear Minister Hussen

Pursuant to our mandate to promote participation and inclusion in the development of housing policy and to provide you with advice to improve housing outcomes for Canadians, we are pleased to submit this report with recommendations on Renewing the National Housing Strategy.

Announced in 2017, the National Housing Strategy marked the return of the federal government to leadership on housing and offered an ambitious vision to improve access to safe, decent, adequate and affordable housing for Canadians, particularly for our most vulnerable neighbours.

Much has changed since the release of the National Housing Strategy, and the strategy itself was designed to adapt to changing conditions and needs to evolve to meet changing demands.

Since the introduction of the National Housing Strategy the government introduced the National Housing Strategy Act which made the progressive realization of the right to housing a cornerstone of federal housing policy with direct implications for the National Housing Strategy. Further, in the 2020 Speech from the Throne, the government committed to eliminating chronic homelessness.

Canadians have also experienced a global pandemic followed by a cost-of-living crisis that has dramatically altered the economics of the housing market and is propelling a humanitarian crisis of mass homelessness that rivals Canada's largest natural disasters in terms of the scale of housing loss, economic impact and loss of life.

In the first five years of the National Housing Strategy, we have all learned a lot about what works and doesn't work in pursuing the goals of the strategy.

This report is designed to be a contribution to the continuous improvement of federal housing strategy and most importantly to support improved housing outcomes for all Canadians.

This report reviews the goals of the Strategy, Canada's progress toward achieving those goals and our recommendations to significantly step up that progress.

In the process of developing this report, we undertook a survey and key informant interviews, six consultation sessions with over 400 experts, stakeholders and rights holders participating and providing their ideas and solutions.

We also commissioned 5 research reports including:

1. Analysis of Affordable Housing Supply Created by Unilateral National Housing Strategy programs (February 2, 2022)
2. A National Housing Strategy By and For Whom? Documented Experiences of People with Living Knowledge of Housing Need (June 15, 2022)
3. What We Heard: Canadians Share Their Experiences with the National Housing Strategy including Recommendations to Improve the National Housing Strategy (June 2022)

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4. Analysis of the progress of bilateral National Housing Strategy programs (August 22, 2022)
5. Implementation of the Rapid Housing Initiative (August 22, 2022)

Two additional reports commissioned by Council were also considered as part of our work and the report:

1. Report and Recommendations to the Minister of Housing and Diversity and Inclusion on Urban, Rural, and Northern Indigenous Housing (March 31, 2022)
2. Co-Creating the Right to Adequate Housing in Canada (June 2022)

Based on this research we have made the following observations on the National Housing Strategy:

1. Canada is losing affordable housing faster and in greater quantities than the National Housing Strategy is producing it. According to recent estimates, between 2011 and 2021 over 550 000 units of housing that rents for $750/month or less has been lost. The National Housing Strategy as designed only had a target to produce 150 000+ new units.
2. Based on this loss of affordable rental housing, on top of the existing affordable housing deficit (created by 30 years of federal absence from housing investment) and growing demand, the production of affordable housing planned by the National Housing Strategy is dramatically insufficient.
3. While the National Housing Strategy has produced over 115 000 new units of housing as of September 2022, the vast majority of the housing produced, and the subsidies delivered by the Canada Housing Benefit, are not affordable to or reaching those in core housing need or experiencing homelessness. This is the result of the design of the programs under the National Housing Strategy and the definitions of affordable housing used by Canada Mortgage and Housing Corporation. This unfortunately means that National Housing Strategy is specifically excluding populations it seeks to prioritize including but not limited to women, Indigenous Peoples, newcomers, racialized communities, people who have disabilities, seniors, 2SLGBTQI+ and people experiencing homelessness.
4. The National Housing Strategy as it is today, is not consistent with the federal commitment to the progressive realization of the right to housing and is therefore not yet in compliance with the National Housing Strategy Act. In order to be in compliance with the progressive realization of the right to housing, the National Housing Strategy should at a minimum:
   - Prioritize and deliver housing to those in greatest need;
   - Contain targets, plans and timelines for the elimination of all homelessness and reduction in core housing need;
   - Deploy the maximum of available resources to the achievement of these targets.
5. One of the biggest gaps in the original design of the National Housing Strategy was the absence of a specific Urban, Rural and Northern Indigenous Housing Strategy. Indigenous Peoples are over-represented in core housing need and they require strategies specific to their reality, designed by them and consistent with the United Nations

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Declaration on the Rights of Indigenous Peoples. According to a 2021 report by the Parliamentary Budget Officer 124,000 Indigenous households were in housing need, and Indigenous households were 1.5 times more likely to be in housing need than non-Indigenous households. Further, the PBO also noted that across Canada, 57 per cent of Indigenous households in housing need reside in a census metropolitan area. Furthermore, our research indicates that Indigenous housing providers have experienced systemic barriers to accessing funding for housing and have not been able to access mainstream National Housing Strategy capital funding programs resulting in a design gap in the Strategy.

6. According to CMHC research, three quarters of people in core housing need are living in adequate and suitable housing, but they just can't afford it. Further, most of these households move out of core housing need in less than five years meaning core housing need is fluid and driven in large measure by poverty. This is also true of homelessness, where over 85 per cent of people experiencing homelessness are homeless only due to financial need. Given these facts and the scale of Canada's housing crisis, income supports like the Canada Housing Benefit could play a bigger role in addressing core housing need and homelessness.
7. Jurisdictional differences between the federal government, the provinces, territories and municipal governments in housing priorities and targets reduces the effectiveness of the National Housing Strategy and adds unnecessary complexity for housing providers, the construction industry and other partners interested in supporting the goals of the National Housing Strategy.
8. There is a need for clear leadership within the Government of Canada on housing and homelessness. Several departments and agencies within the government play critical roles and have a stake in housing and homelessness, including: the Canada Mortgage and Housing Corporation, Finance, the Canada Revenue Agency, Infrastructure Canada, Indigenous Services Canada, Employment and Social Development, Environment and Climate Change, Justice, Veterans Affairs, Public Safety, Health Canada, Statistics Canada, Immigration and Citizenship, Intergovernmental Affairs and Women and Gender Equity. Yet, the implementation of the National Housing Strategy is led by a crown corporation, the Canada Mortgage and Housing Corporation. This results in a lack of coordination, inefficiency and missed opportunities to advance homelessness and housing goals. Given current economic constraints, greater interdepartmental coordination would allow for increased social impact.

The National Housing Strategy has made meaningful progress and provided a solid starting point for federal leadership on housing. Renewing the Strategy with the recommendations we offer will create concrete, measurable improvements in housing and in the lives of Canadians. Specifically, we believe they will increase the impact of federal programming and the National Housing Strategy and can do so within existing available federal resources.

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In this report we offer the following five recommendations:

1. That changes be made to the National Housing Strategy and its programs to bring them into greater alignment with the National Housing Strategy Act and its goals of realizing the right to housing, reducing core housing need, ending homelessness and addressing inequitable housing outcomes for equity seeking populations.
2. That the Government of Canada establish new targets and redirect associated corresponding funding to increase the share of non-market housing stock in Canada, including programs to acquire, build, renovate and protect the non-market housing stock to preserve and expand housing affordability in perpetuity.
3. That the existing Canada Housing Benefit be enhanced and scaled up to bridge the affordability gap for households in core housing need who are living in adequate but unaffordable housing and who are at risk of or experiencing homelessness.
4. That a separate funding stream be established to provide immediate, sustained and equitable levels of investment in urban, rural and northern Indigenous housing programs that are designed and administered by an Indigenous-controlled body, as detailed in the separate report on Indigenous housing.
5. That the Government of Canada should initiate steps to improve accountability and coordination among and within all orders of government, including a federal whole-of-government approach to programs that support the most vulnerable, to achieve better social, economic, health and environmental outcomes for all.

The introduction of the National Housing Strategy in 2017, the National Housing Strategy Act in 2019 and the major investments in housing and homelessness the government has made since, marked the essential and welcomed return of the federal government to leadership on housing. A lot has happened since it was introduced, a lot has been learned, and important progress has been made. We offer this report in the firm belief that the National Housing Strategy can be improved to realize the achievable goal of the right to housing for all Canadians.

We do hope that you find this report and its recommendations constructive and in the spirit of continuous improvement. We want to thank you for your continued leadership in this regard and we stand ready to support you in this important work.

Sincerely
On behalf of the National Housing Council,

Tim Richter
COUNCIL CHAIR

Maya Roy
REPORT WORKING GROUP CHAIR

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ICONOGRAPHY

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Allows the reader to quickly identify the key findings/ conclusions of Council.

STORIES

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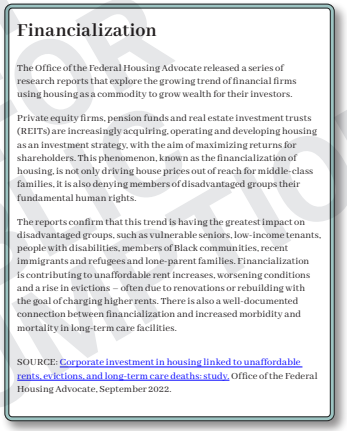
SIDEBARS

Sidebars are in-depth summaries of associated important initiatives, policies, legislation or information to emphasize certain findings or conclusions of this report.



Financialization

The Office of the Federal Housing Advocate released a series of research reports that explore the growing trend of financial firms using housing as a commodity to grow wealth for their investors.

Private equity firms, pension funds and real estate investment trusts (REITs) are increasingly acquiring, operating and developing housing as an investment strategy, with the aim of maximizing returns for shareholders. This phenomenon, known as the financialization of housing, is not only driving house prices out of reach for middle-class families, it is also denying members of disadvantaged groups their fundamental human rights.

The reports confirm that this trend is having the greatest impact on disadvantaged groups, such as vulnerable seniors, low-income tenants, people with disabilities, members of Black communities, recent immigrants and refugees and lone-parent families. Financialization is contributing to unaffordable rent increases, worsening conditions and a rise in evictions – often due to renovations or rebuilding with the goal of charging higher rents. There is also a well-documented connection between financialization and increased morbidity and mortality in long-term care facilities.

SOURCE: Corporate investment in housing linked to unaffordable rents, evictions, and long-term care deaths: study, Office of the Federal Housing Advocate, September 2022.

FIGURES AND TABLES

These contain detailed information, data or analysis related to the specific sections and are a combination of information from other sources or created by Council. When from other sources the reference is provided.

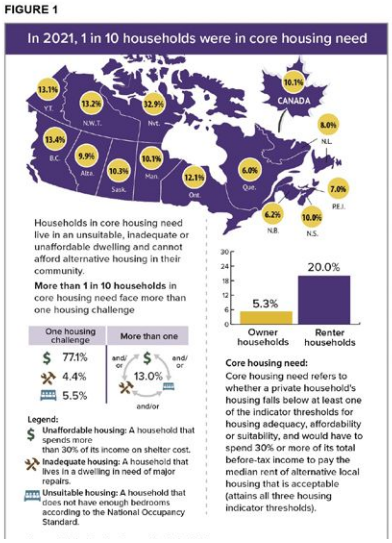


FIGURE 1

In 2021, 1 in 10 households were in core housing need

Households in core housing need live in an unsuitable, inadequate or unaffordable dwelling and cannot afford alternative housing in their community.

More than 1 in 10 households in core housing need face more than one housing challenge

One housing challenge	More than one
77.1%	13.0%
4.4%	
5.5%	

Legend:
- **Unaffordable housing:** A household that spends more than 30% of its income on shelter cost.
- **Inadequate housing:** A household that lives in a dwelling in need of major repairs.
- **Unsuitable housing:** A household that does not have enough bedrooms according to the National Occupancy Standard.

Core housing need: Core housing need refers to whether a private household's housing falls below at least one of the indicator thresholds for housing adequacy, affordability or suitability, and would have to spend 30% or more of its total before-tax income to pay the median rent of alternative local housing that is acceptable (attains all three housing indicator thresholds).

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Canada announced a National Housing Strategy in 2017 with a new vision to improve housing.

The Strategy includes steps to progressively implement the right to housing, and prioritizes actions and outcomes to support those people in greatest need of access to adequate and affordable housing options.

The Strategy uses a Human Rights-Based Approach to housing consistent with Canada's commitments under the International Covenant on Economic, Social and Cultural Rights. In 2022, the National Housing Council consulted widely and conducted research to assess the current status of the Strategy.

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THE CURRENT SITUATION

In 2021, almost 1.5 million Canadian households were in core housing need – that is, they live in an unsuitable, inadequate or unaffordable dwelling and cannot afford alternative housing in their community.

More than 235,000 people in Canada experience homelessness in a year. Housing need is deepest and most prevalent among people who have historically been marginalized and disadvantaged, including women, lone-parent households, people with disabilities, seniors, immigrants, 2SLGBTQI+, racialized communities and Indigenous People.

Canada's current housing stock does not meet the needs of people in core housing need. The available housing may be unaffordable at market prices, it may not have the number of bedrooms needed or it may be located far from the workplace or services needed.

Indigenous People in urban, rural, and northern locations, as well as on reserve and in Inuit, Nunangat, and Métis communities, often face acute housing needs.

A separate **report** recommends strategies to be co-developed with Indigenous Peoples and aligned with the United Nations Declaration on the Rights of Indigenous Peoples. In addition, Council received extensive feedback on the direct links in the Inquiry into Missing and Murdered Indigenous Women and Girls and Truth and Reconciliation Commission reports. These reports emphasize the importance to adequate housing and housing rights over 350 times.

THE NATIONAL HOUSING STRATEGY

The National Housing Strategy Act sets specific federal requirements for a housing strategy. These include:

- A long-term vision that recognizes the importance of housing in achieving social, economic, health and environmental goals;
- Goals, targets relating to housing and homelessness;
- Improving housing outcomes for persons in greatest need;
- A participatory processes to ensure the ongoing inclusion and engagement of civil society, stakeholders, vulnerable groups and persons with lived experience of housing need and homelessness.

NATIONAL HOUSING STRATEGY PROGRAMS

The National Housing Strategy has resulted in federal funding commitments with a total investment of more than $70 billion over ten years. Presently, it has more than 10 major unilateral and bilateral programs. These programs were created to with targets that include:

- Cutting chronic homelessness by 50 per cent;
- Removing 530 000 households from core housing need;
- Renovating 300 000 homes (repaired or renewed);
- Building 100 000 new housing units;
- 50 000+ community housing units created, and 385 000 community units protected;
- At least 25 per cent of National Housing Strategy investments for female-led households, (women, girls and their families).

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Key Observations and Findings

ON THE NATIONAL HOUSING STRATEGY AN OBLIGATION TO FOCUS ON GREATEST NEEDS

The National Housing Strategy, as currently designed, and the corresponding program responses have had limited impact on its primary focus on priority groups and those in greatest need. There is a need to improve the Strategy and re-tune its corresponding unilateral programs to more effectively respond to the intended primary focus if key targets are to be achieved.

- While new unilateral programs increase rental supply, few of the units are non-market or affordable housing to support those in core housing need, except for units in the Rapid Housing Initiative.
- While the bilateral programs should stop further decline in some non-market housing, they will not return unit numbers even to 2015 levels.

ON THE NEED TO EXPAND NON-MARKET HOUSING

Many low- and moderate-income families in Canada struggle to access affordable, safe, suitable and adequate housing. Affordable, safe, suitable and adequate housing is priced out

of reach in many regions. The non-market housing sector can play a greater role in meeting housing needs of our most vulnerable people.

- Non-market housing providers can counter-balance the impact of financialization, preserve affordability and limit the displacement of vulnerable tenants. They can also address culturally specific needs that are too diverse to be addressed through individual programs.
- Since the withdrawal of federal government funding for and direct provision of social housing units (non-profit community or non-market housing) in the 1980s, few organizations have the capacity and technical expertise to respond to the diversity of Canadians living in precarious housing, especially in small towns, rural and remote areas.
- Meeting the objectives of the National Housing Strategy requires increased focus and substantially increased non-market housing unit targets, corresponding funding in the form of increased grants (such as Rapid Housing Initiative) in addition to traditional National Housing Strategy program loans. It will also require additional supports for non-profit and co-operative organizations.

ON THE URGENT AND ACUTE NEEDS OF INDIGENOUS PEOPLES

Indigenous and northern households are overly represented in core housing need and will require strategies specific to their reality and designed by them.

- Existing funding falls far short of the levels needed to meaningfully address the disproportionately high housing need among Indigenous Peoples, particularly in the Territories.
- Current systemic barriers have resulted in lack of access to applying to various housing mainstream National Housing Strategy programs for funding. Indigenous housing providers expressed concerns with funds being allocated to provinces and territories instead of to Indigenous groups directly.
- The Government of Canada needs to move toward a for Indigenous-by Indigenous housing strategy in order to comply with UNDRIP.

ON THE ROLE OF INCOME SUPPORT

Core housing needs are fluid and people will flow in and out of core housing need. While some may remain in core housing need, others may need only short-term financial support.

- Shelter, financial aid, or other individual rental subsidies could support those who cannot afford housing for a short period, such as new immigrants, those who have lost their employment and those ending a relationship or fleeing violence.
- The current Canada Housing Benefit could address unmet needs, but current funding levels are insufficient to meet demand.

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- Eligibility for the Canada Housing Benefit should be better aligned with need. Some people who need a benefit cannot receive one, while others who are eligible are not in core housing need.

ON BETTER COORDINATION

Jurisdictional differences in housing priorities and targets, and desired outcomes reduces the effectiveness and return on investment, and add complexity for housing providers, especially those requiring wraparound services. There is a need to align and strengthen jurisdiction's (Provincial and Territorial) priorities' and targets with the National Housing Strategy and Federal Housing priorities and targets.

- Many vulnerable people need wraparound social supports to maintain their housing. Greater coordination between housing supply and housing support services, including health supports, could provide funding to better meet the social goals of the National Housing Strategy.
- Greater inter-governmental and inter-ministerial coordination, including direct funding allocations to regions or municipalities, would improve effectiveness;
- Engaging input from Provinces and Territories (PT's) in future unilateral program designs would lead to programs that better reflect local needs and priorities;
- A centralized system for data collection on a consistent nation-wide basis (with necessary federal funding support) would improve program reporting and monitoring and could lead to more effective targeting of resources.

ON PROTECTING EXISTING RENTAL STOCK AND THE EROSION OF HOUSING AFFORDABILITY

Financialization of housing drives housing costs out of reach for middle-class families and denies members of disadvantaged groups their fundamental human rights.

- Financialization contributes to unaffordable rent increases, worsening conditions and a rise in evictions. It has the greatest impact on disadvantaged groups;
- Governments have been reluctant to regulate profit motivated market housing landlords including institutional investors in housing, fearing that regulation could affect the creation of new supply or the renewal of existing stock. Recent data have raised questions about the validity of this concern.

NOTE: The National Housing Council will establish a review panel to address the financialization of purpose-built rental housing, to begin work in 2023.

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Recommendations

TO IMPROVE THE NATIONAL HOUSING STRATEGY

The National Housing Council makes five overall recommendations:

RECOMMENDATION 1

That changes be made to the National Housing Strategy and its programs to bring them into greater alignment with the National Housing Strategy Act and its goals of realizing the right to housing, reducing core housing need, ending homelessness and addressing inequitable housing outcomes for equity-seeking populations.

- The Strategy should adopt an overarching vision, with timelines and targets, to reduce core housing need and eliminate all forms of homelessness;
- Unilateral housing supply programs supporting the Strategy should be refined and re-focused on affordable non-market housing unit creation for those in greatest need and deliver deeply affordable housing where rent is geared to income and housing remains affordable in perpetuity;

- Federal agencies should create definitions and a measurement framework for housing and homelessness systems. Clear definitions of affordability and ending homelessness would clarify objectives. Measures for groups that are disproportionately impacted by homelessness and core housing need and which have poor housing outcomes relative to other Canadians would improve targeting;
- The Government of Canada should report publicly on all federal department programs that contribute to the National Housing Strategy outcomes and targets.

RECOMMENDATION 2

That the Government of Canada establish new targets and redirect associated corresponding funding to increase the share of non-market housing stock in Canada, including programs to acquire, build, renovate and protect the non-market housing stock to preserve and expand housing affordability in perpetuity.

- The federal government should update programs and outcomes of the National Housing Strategy and in doing so should establish new programs or refocus existing ones to increase the share of non-market housing stock in perpetuity;
- CMHC should lead key initiatives, including:
  - Re-assess, prioritize and increase the existing 50 000 new community housing units' target;
  - Redesigning programs and processes to support non-market development;
  - Developing partnerships and programs for the private market to contribute to viable investments that support non-market housing targets;
  - Ensuring adequate financial supports through programming (maximum available use of grants and long-term funding) to preserve and maintain existing non-market housing stock in good condition;

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- Preserving existing affordable private rental housing that is at risk due to financialization and redevelopment;
- Scaling up non-profit and co-op affordable housing development to spark a new generation of non-profit housing construction and service providers in Canada.

RECOMMENDATION 3

That the existing Canada Housing Benefit be enhanced and scaled up to bridge the affordability gap for households in core housing need who are living in adequate but unaffordable housing and who are at risk of or experiencing homelessness.

- The Government of Canada should create a federal funding stream as part of the Canada Housing Benefit targeted to households experiencing or at risk of experiencing homelessness.
- The new stream should be:
  - Based on actual rent paid by tenants;
  - Administered by applications through the tax system, like the Canada Child Benefit;
  - Harmonized with other federally and provincially administered shelter supplement and housing support programs.

RECOMMENDATION 4

That a separate funding stream be established to provide immediate, sustained and equitable levels of investment in urban, rural and northern Indigenous housing programs that are designed and administered by an Indigenous-controlled body, as detailed in the separate report on Indigenous housing.

- The Minister should establish and recognize a body made up of URN Indigenous housing and service experts and the people they serve to develop and implement a strategy that is national, independent, non-political and Indigenous controlled to administer URN Indigenous housing;
- The Minister should work with Indigenous URN Indigenous housing experts as well as the National Housing Council Urban, Rural and Northern Working Group and the Canadian Housing and Renewal Association Indigenous Caucus to establish an interim mechanism to fund immediate needs;
- The Minister should initiate an initial budget request of at least $6.3 billion as recommended in the last National Housing Council recommendation on URN.

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RECOMMENDATION 5

That the Government of Canada should initiate steps to improve accountability and coordination among and within all orders of government, including a whole-of-government approach to programs that support the most vulnerable, to achieve better social, economic, health and environmental outcomes for all.

- The Government of Canada should promote more effective collaboration through measures such as:
  - Federal departments should clearly identify their collective responsibilities, accountabilities and their contribution to the outcomes and targets in the National Housing Strategy. A corresponding RACI Matrix (Responsible, Accountable, Consulted, Informed) should be clearly communicated as part of understanding departmental roles and contributions to a whole of government response to the National Housing Strategy;
  - Federal departments should undertake a process review of program delivery efficiency and effectiveness and should apply best practice business review process approaches such as agile project management and lean Sigma Six to remove existing program application barriers and bottlenecks;
  - Require greater focus on performance and achieving the desired targets and outcomes of the National Housing Strategy. Encourage departments to build greater flexibility in the delivery of its housing programs using outcome-based program design;
  - Assess regional differences such as those related to costs in construction worker availability (especially in remote areas), supply chain issues on construction materials, interest rate increases, inflation and the complexity of development on dense urban sites to ensure that available program funds reflect current costs;
  - Working with other levels of government to ensure appropriate municipal funding for housing support services that need to accompany new supply;
  - Identifying programs and policies that non-profit and co-op housing providers can use to streamline applications processes and support CMHC due diligence and accountability;
  - The federal government should work with provinces and municipalities to ensure the regulatory framework around housing prevents the erosion of affordability in Canada. For example, regulate rental activities, and prevent illegal evictions, including considering measures such as rent controls and vacancy decontrols.

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Canada and the world have experienced many changes, including major health crises and rising inflation since the National Housing Strategy was first released.

This report is the Council's first comprehensive review of the Strategy and includes corresponding recommendations for improvement. Economic instability and social inequities are now creating a new wave of people who need housing or face homelessness.

When the National Housing Strategy was announced in 2017, housing issues across Canada were reaching a critical point. The National Housing Strategy offered the promise of a renewed vision for housing in Canada including steps to progressively implement the right of every Canadian to access adequate housing[1]. It also gives priority to actions and outcomes to support those people in greatest need of access to adequate and affordable housing options. The Strategy called for new legislation and the creation of a National Housing Council which was appointed in 2020.

The Council's mandate includes:

- Making recommendations to the Minister of Housing and Diversity and Inclusion on improvements to the National Housing Strategy.

Working with the Canadian Urban Institute to engage housing experts, stakeholders and those with lived experience of housing need. A detailed list of Council's research and engagement reports can be found in Section 4 page 38.

The results of these activities are outlined in Section 4, Evaluation and Analysis of Existing National Housing Strategy programs. The Council's deliberations on these research and engagement activities have led to the recommendations in this report to refocus and improve Canada's National Housing Strategy.

Our recommendations are based on research and engagement activities up to December 2022. We recognize that ongoing action addressing the National Housing Strategy by federal departments, whether, policy, program improvements or new budget commitments is continuous.

The members of the National Housing Council want to thank and acknowledge all those who have made this report possible.

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Canada's National Housing Strategy Act recognizes a human right to adequate housing and supports improved housing outcomes for the people of Canada.

With this human rights-based approach to housing, principles such as participation, equality, non-discrimination and accountability are important, as well as housing outcomes.

Despite Canada's strategy, access to affordable housing is deteriorating for many people. Canada needs to adopt a renewed strategy focusing on affordable housing, with non-market housing at the centre of government investments.

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The National Housing Strategy is now at the mid-point of its original 10-year operating horizon. Since the Strategy was publicly released in 2017, housing issues in Canada have continued to deteriorate:

- COVID has increased the needs and the supports required for Canada's most vulnerable and has created additional housing needs from those facing economic impacts. Inflation, most recently, has led homeowners and renters to fear for their long-term ability to rent, buy, keep and maintain a place to live;
- Housing costs have increased for all Canadians;
- Access to affordable and non-market housing has eroded.

The Government of Canada can address these concerns by refocussing on the National Housing Strategy vision, goals, program responses and expected outcomes. Continuous improvement of the National Housing Strategy will protect communities and the right to adequate housing and will ensure an optimal use of the resources dedicated to housing those in greatest need.

The Council understands the current urgency in Canada regarding housing and homelessness. However, Council is realistic in what can be achieved. Solving housing need and homelessness is achievable in a country that is as wealthy as Canada. However, Canada needs a long-term housing policy and investment program that is laser focussed on directing the maximum available resources to reduce core housing need and eliminate homelessness.

The recommendations in this report give the Government of Canada a list of improvements that can refocus the Strategy to respond to current social, economic and fiscal realities.

Mohammad and Reem Joudi with their seven children near Ottawa. (Photograph by Kaja Tirrul)

PROTECTING COMMUNITIES

Increasing housing costs and the loss of affordable supply are disrupting communities and individuals. Common impacts include the following:

- Many families can no longer afford a convenient place to live with sufficient space and must make lengthy commutes to find affordable housing;
- Front-line workers, nurses, teachers and many others can no longer live in the community where they work;
- Single parents, seniors, students and newcomers face insecurity and an increasing risk of housing need and homelessness.

As many owners, landlords and investors in housing share vast benefits and profits, the most vulnerable are often displaced or evicted, and see their most basic needs and human rights violated. Non-action by various levels of government is creating important social costs and impacts in our communities. As people face greater challenges to meet their housing needs, their demand for other support services increases, and their ability to access health care, employment and schooling decreases. Children and many other vulnerable people are often left without a safe adequate home, affecting their long-term prospects. These socio-economic effects and demand for supporting services will only worsen if action is not taken and as affordable stock is lost more rapidly than it is being built.

ADVANCING THE RIGHT TO HOUSING

The Government of Canada actively advanced the right to housing by funding public and non-market housing in the 1960s and 1970s. By the 1980s, however, the federal government reduced funding to non-market housing and delegated the responsibility to provinces and territories.

At their peak, federal programs produced approximately 25 000 to 30 000 units of non-market housing per year, the equivalent of between 10 per cent and 12 per cent of the total housing stock constructed each year.

Since the 1980s departure of the federal government, the total per centage of non-market housing in Canada has fallen and is now below five per cent of the total stock. This non-market housing stock continues to disappear through demolition and market absorption. Today, construction of non-market housing is less than one per cent per year.

In 2016, a review of Canada's international obligations by the United Nations Committee on Economic, Social and Cultural Rights called

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Canada's obligation to the right to housing

The human right to adequate housing is recognized in international human rights law as a component of the right to an adequate standard of living, enshrined in the Universal Declaration of Human Rights adopted in 1948.

The primary source on the right to adequate housing under international human rights law, which is binding on Canada, is Article 11 of the International Covenant on Economic, Social and Cultural Rights (1966, ICESCR). It recognizes the right of everyone to an adequate standard of living, including adequate food, clothing and housing, and to the continuous improvement of living conditions. It also requires that States take appropriate steps to ensure the realization of this right.

The International Covenant on Economic, Social and Cultural Rights (ICESCR) commits Canada and other nations to live up to certain rights and to report on them.

Photo by Aric Crabb/Digital First Media/Bay Area News via Getty Images

The 2016 ICESCR report listed concerns about Canada's lack of a housing strategy. It also noted other concerns, which remain relevant:

- Insufficient funding for housing;
- Inadequate housing subsidy within the social assistance benefit;
- Shortage of social housing units;
- Increased evictions related to rental arrears.

The 2016 report also recommended that Canada:

- Progressively increase federal and provincial resources allocated to housing, and reinforce the housing subsidy within the social assistance benefit to be commensurate to living costs;
- Take effective measures to substantially increase the availability of social and affordable housing units;
- Regulate rental arrangements with a view to ensuring that tenants enjoy the right to affordable and decent housing and are not vulnerable to forced evictions and homelessness;
- Ensure that its legislation on forced evictions is compatible with international norms, particularly with respect to its obligation to ensure that no persons find themselves homeless or victims of other human rights violations due to evictions, and that compensation or alternative accommodation is provided to victims.

The full report is available in Canada's 2016 ICESCR Review.

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What is the right to housing?

The UN Committee on Economic, Social and Cultural Rights lists seven characteristics of the right to housing:

- Legal security of tenure (people have protection against forced eviction, harassment and other threats);
- Availability of services, materials, facilities and infrastructure (housing contains the resources necessary for health, security, comfort and nutrition);
- Affordability (housing costs do not prevent people from satisfying their other basic needs);
- Habitability (housing contains adequate space, guarantees physical safety and protects occupants from the environment, health threats and structural hazards);
- Accessibility (housing must be accessible to those entitled to it, and disadvantaged groups are given some degree of priority consideration in the housing sphere);
- Location (housing is situated away from polluted sites and allows access to employment options, health-care services, schools, childcare centres and other social facilities);
- Cultural adequacy (the way housing is constructed, the building materials used and the policies supporting these appropriately enable the expression of cultural identity and diversity of housing).

More information on the right to housing:
A Primer on Housing Rights in Canada

on the Government of Canada to establish a national housing strategy, among other things. The Government of Canada established its National Housing Strategy in 2017 to address the loss of non-market housing and increasing challenges of housing affordability. The Strategy also includes additional steps to progressively implement the right of every Canadian to access adequate housing.

In 2019, the Government of Canada passed the National Housing Strategy Act, which recognized that the right to adequate housing is a fundamental human right affirmed in international law. The Act affirms that housing is essential to the inherent dignity and well-being of the person and to building sustainable and inclusive communities. It makes it the housing policy of the Government of Canada to support improved housing outcomes for the people of Canada and to further the progressive realization of the right to adequate housing as recognized in the International Covenant on Economic, Social and Cultural Rights.

In practice, this does not provide an individual right to housing, but it does mean that the Government of Canada has an obligation to put the maximum available resources towards the fulfilment of the right. In doing so, the Council believes that the seven characteristics of the right to housing [SEE SIDEBAR: WHAT IS THE RIGHT TO HOUSING?] give Canada a framework in which to move forward.

A human rights-based approach to housing emphasizes that the goal of all housing policies, strategies and programs is to further advance the realization of the right to housing. It aims to build the capacity of the state at all levels to respect, protect and fulfil human rights. A human rights-based approach gives importance not only to outcomes, but also to the processes.

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Historical Government of Canada role in non-market housing

During the 30-year social housing prime from 1966 to 1996, the Canadian social housing system expanded by about 14 000 to 22 000 units annually, averaging 17 800 units[a]. In 1996, social housing reached its all-time peak of 5.4 per cent of total Canadian housing stock[b].

If Canada continued to produce 17 800 units a year of social housing between 1996 and 2021, this could have generated an additional 356 000 units. In 2021, social and affordable housing could have represented 6.2 per cent of all housing, rather than the current 3.8 per cent.

IMAGE SOURCE: urbaneer.com

Human rights standards and principles – such as participation, equality, non-discrimination and accountability – are to be integrated into all stages of the programming process: assessment and analysis; priority setting; program planning and design; implementation; and monitoring and evaluation.

IMPROVING THE NATIONAL HOUSING STRATEGY

Establishing the National Housing Strategy signaled the importance of having not only a federal housing strategy, but a national one involving all levels of government and civil society.

- It was the first such federal housing strategy in Canada's history;
- It included over 18 months of engagement and consultations with Canadians where important learnings emerged and strengthened the Strategy vision, objectives and focus. There was also a commitment to track and report on performance and to adapt the Strategy's approach as it was implemented. A revised National Housing Strategy can encourage a new housing ecosystem to emerge in Canada with the goal of meeting the housing needs and rights of Canadians;
- It would focus laws, policies and programs at all levels of government, together with the activities of all housing providers;
- It would spur a new wave of construction, putting non-market housing at the centre of government investments, while removing barriers for the private housing sector to create new non-market supply in partnership with government and the non-market sector;
- It would protect affordable housing and individuals who have been priced out of the market.

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WHY IMPROVE THE NATIONAL HOUSING STRATEGY?

RETURN TO TABLE OF CONTENTS

Canada faces an urgent need to act on housing. The last 40 years have encouraged market investment and given advantage to investors and owners through favourable laws and tax treatments. This market-first approach has met the needs of a segment of the population, but it has resulted in a supply shortage.

It has left government and taxpayers to pay for the lack of broader action. This report calls for a transformation of the National Housing Strategy to achieve a more efficient and strategic use of limited resources.

The Nanaimo Aboriginal Centre Nanaimo, BC
SOURCE: Canada Mortgage and Housing Corporation

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FEDERAL POLICY TIMELINE

1960s – 1970s

The construction of 2/3rds of existing Purpose-Built Rentals (PBR) 93% of Purpose Built Rentals were built prior to 1980

1990s

All federal funding for social housing ended. Social housing responsibilities were downloaded from federal level to provinces

2017

National Housing Strategy Act is passed

Adapted from: The Crisis of Affordable rental Housing in Toronto, Crystal Fung, Sahil Parikh, and Piotr Zulauf, Ryerson University (Metropolitan University) 2020

Almost one in ten people in Canada have experienced some form of core housing need.

They live in an unsuitable, inadequate or unaffordable dwelling and cannot afford alternative housing in their community. Many people have also experienced some form of homelessness.

These conditions are worst for people who have been marginalized or disadvantaged. Much of the housing supply available in Canada does not meet the needs of these vulnerable people.

HOUSING NEEDS IN CANADA

To solve Canada's housing crisis, it is important to understand the housing needs of the most vulnerable people. Identifying the systemic issues and barriers that limit Canadians' ability achieve their right to housing makes it possible to address them.

Understanding these needs allows government to deploy maximum available resources, policy and regulatory tools effectively. It also provides a clearer understanding for other key housing organizations on how they can deliver supporting actions and improved results and outcomes.

The policies and programs of the National Housing Strategy must start by assessing how needs have been met or missed (including hearing from provinces, territories and local governments). Without this, they risk spending resources across a spectrum of programs that do not effectively improve social, economic, health and environmental outcomes.

Understanding how the implementation of the Strategy to date has addressed housing need will allow the Government of Canada and its partners to prioritize and deploy funds as effectively as possible. It will create additional evidence to focus future policy, regulatory and program improvements on addressing remaining deficiencies or gaps. Ultimately, it will increase success in removing systemic issues that limit Canadians' ability achieve their right to housing.

Addressing the housing needs of the most vulnerable and applying a right-to-housing lens provides a new basis for prioritizing and allocating resources. It forms the basis for the focus of this report, its key observations and recommendations. The Council believes in the importance of the Government of Canada and all levels of government adopting a right-to-housing approach. This approach helps direct available resources to support a housing system that supplies the correct types of housing (affordable, non-market housing) for the most vulnerable. It also helps to progressively realize the right to housing.

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What about supply?

While this report focuses on the right to housing, Canada and all levels of government must support an ecosystem that produces the housing supply that Canadians need to achieve the right to housing.

The **Canada-British Columbia Expert Panel** on the Future of Housing Supply and Affordability reviews supply issues and recommends the following:

- Creating a planning framework that proactively encourages housing;
- Reforming fees on property development;
- Expanding the supply of community and affordable housing;
- Improving coordination among and within all orders of government;
- Ensuring more equitable treatment of renters and homeowners.

Governments can unlock supply through better and more efficient policy and planning measures while prioritizing their own much needed investments in the non-market housing sector.

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UNDERSTANDING CORE HOUSING NEED

The Canada Mortgage and Housing Corporation has adopted the definition of core housing need and governments have used the idea widely to measure and monitor housing needs. It has limitations as it does not include people in situations of homelessness, students or Indigenous People living on reserve. Nevertheless, it indicates the scale of housing needs in Canada.

In simple terms, households in core housing need live in an unsuitable, inadequate or unaffordable dwelling and cannot afford alternative housing in their community.

WHO IS IN CORE HOUSING NEED?

Housing need is deepest and most prevalent in groups of Canadians that have historically been marginalized and disadvantaged:

- Lone-parent households, particularly those led by women: 36 per cent, compared to eight per cent among couples with children and five per cent for couples without children
- Those who are not in Census-defined families: 25 per cent, compared to six per cent among those who are in a Census familyIndigenous Peoples: 20 per cent, double the share of non-Indigenous people[1]
- Black People: 15 per cent, compared to the nine per cent of the total population in core housing need[2]
- Women: 11 per cent, compared to 10 per cent of men

- People with disabilities: 15 per cent, compared to just over nine per cent of people without disabilities
- Seniors: 14 per cent, compared to 12 per cent of non-senior households[3]
- Seniors who rent: 33 per cent, compared to eight per cent of seniors who own their home
- Immigrants: 19 per cent, compared to nine per cent of non-immigrants

Individuals and households in these groups, among others (such as low-income workers), face unique housing barriers, including affordability, suitability, adequacy, accessibility and location, all of which limit their access to available housing.

What is core housing need?

Core housing needs refers to whether a private household's housing falls below at least one of the indicator thresholds for housing adequacy, affordability or suitability.

Housing indicator thresholds are defined as follows:

- Adequate housing is reported by their residents as not requiring any major repairs;
- Affordable housing has shelter costs equal to less than 30 per cent of total before-tax household income;
- Suitable housing has enough bedrooms for the size and composition of resident households according to the National Occupancy Standard (NOS), conceived by the Canada Mortgage and Housing Corporation and provincial and territorial representatives.

Only private, non-farm, non-reserve and owner- or renter-households with incomes greater than zero and shelter-cost-to-income ratios less than 100 per cent are assessed for core housing need. Non-family households with at least one maintainer aged 15 to 29 attending school are considered not to be in core housing need regardless of their housing circumstances. Attending school is considered a transitional phase, and low incomes earned by student households are viewed as being a temporary condition.

The population of study for core housing need typically excludes private households living in a dwelling provided by the local government, First Nation or Indian band, on a reserve or located on an agricultural operation that is operated by a member of the household. Households that spend more than 100 per cent of their before-tax income on shelter are also excluded from the population of study. The population of study should be specified.

SOURCE: Statistics Canada – Census 2021

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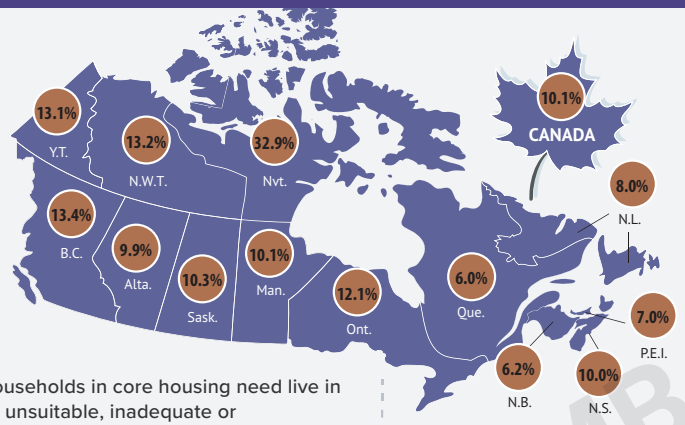
CORE HOUSING NEED IN CANADA



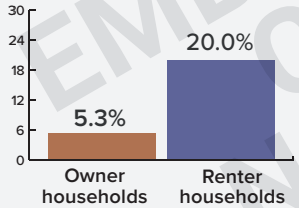
Households in core housing need live in an unsuitable, inadequate or unaffordable dwelling and cannot afford alternative housing in their community.

More than 1 in 10 households in core housing need face more than one housing challenge.

One housing challenge	More than one
$ 77.1%	and/or $ and/or 13.0% and/or
4.4%	
5.5%	

Legend:

- **Unaffordable housing:** A household that spends more than 30% of its income on shelter cost;
- **Inadequate housing:** A household that lives in a dwelling in need of major repairs;
- **Unsuitable housing:** A household that does not have enough bedrooms according to the National Occupancy Standard.



Core housing need:
Core housing need refers to whether a private household's housing falls below at least one of the indicator thresholds for housing adequacy, affordability or suitability, and would have to spend 30% or more of its total before-tax income to pay the median rent of alternative local housing that is acceptable (attains all three housing indicator thresholds).

Source: Statistics Canada, Census of Population, 2021.
ISBN: 978-0-660-45408-5 | Catalogue number: 11-627-M
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as represented by the Minister of Industry, 2022
www.statcan.gc.ca/census

Adapted from Statistics Canada, Census 2021 Original Source

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Core housing need – the numbers

Almost 1.5 million Canadian households lived in core housing need in 2021, defined as living in an unsuitable, inadequate or unaffordable dwelling and not able to afford alternative housing in their community.

The core housing need rate for homeowners (5.3 per cent) was about one-third the unaffordable housing rate (14.8 per cent). In contrast, the core housing need rate for renters (20.0 per cent) was nearly two-thirds the rate of unaffordable housing (33.2 per cent).

This was not the case in Nunavut, where unaffordable housing (5.7 per cent) was less common owing to the nature and prevalence of housing subsidies. However, despite the low unaffordable housing rate, the core housing need rate was almost six times higher (32.9 per cent) because of the high levels of crowding and homes that required major repairs.

Renters were more likely to be in core housing need than owners across CMAs. The gap was largest in Montreal, where renters (14.6 per cent) were over six times more likely to be in core housing need than homeowners (2.4 per cent).

Renters were more than twice as likely to live in core housing need as homeowners in Toronto (28.7 per cent vs. 9.6 per cent) and Vancouver (27.2 per cent vs. 10.9 per cent).

Quebec has a rent control policy that governs the amount landlords can increase rents. This is a contributing factor to the CMAs in Quebec having among the lowest rates of core housing need nationally despite a median household income that is lower than that in Ontario, British Columbia and the Prairies.

Who is in housing need?

Jessie had been experiencing homelessness for four years. As a heavy substance user, she was regularly in and out of hospital. A year ago, she obtained housing through a Housing First program.

BENEFITS FOR JESSIE

The benefits for Jessie are substantial. Since being housed she was able to access additional services, consistently take her medications, reduce her substance use and significantly reduce the number of 911 calls, Emergency visits and hospital stays. She was also able to obtain and successfully complete temporary contract employment.

SOCIAL AND ECONOMIC BENEFITS

The value of Jessie's increased well-being, including positive changes in physical and mental health, avoidance of death from drug toxicity as a result of monitoring and administration of naloxone, the value of her housing and employment, amounts to about $87 000 per year.

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HOMELESSNESS

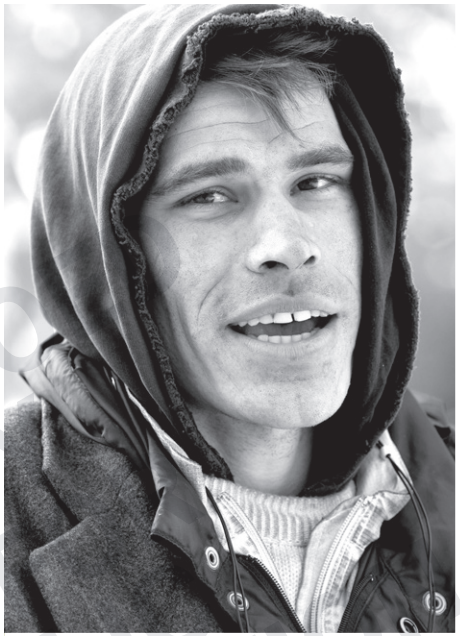
Homelessness can encompass a range of circumstances, such as the following:

- Living on the streets or in places not meant for habitation;
- Staying in overnight or emergency shelters;
- Living temporarily as a hidden homeless person with friends, family or strangers (often referred to as couch surfing) or in motels, hostels or rooming houses;
- Residing in precarious or inadequate housing.

About three per cent of Canadians with responsibility for the housing decisions within their household have been homeless at some point in their lives[4].

It is difficult to estimate the number of homeless people in Canada. Based on available data, approximately 50 000 Canadians may be homeless on any given night[5]. More than 235 000 people in Canada experience homelessness in a year[6]. However, the numbers are likely higher as women, families and youth are under-represented in surveys. They are more likely to stay with friends or family, if possible, rather than live in shelters or on the street where they would be counted in a survey.

One well-regarded survey, the nationally coordinated Point-in-Time Count, shows a 14 per cent increase in absolute homelessness in 2018 compared to the communities that had also conducted the count in 2016[7]. It also reported that in the 61 communities that participated, 60 per cent of all survey respondents reported experiencing chronic homelessness[8] and eight per cent of respondents were experiencing episodic homelessness.



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Beyond the Human Impacts of Homelessness *(The economics of in-action)*

Beyond the perilous and often tragic daily impacts homelessness imposes on many people in Canada, the overall cost of homelessness to society is significant.

In the State of Homelessness 2013, Gaetz et al. estimated the cost of homelessness to the Canadian economy to be at least $7.04 billion dollars annually[c]. This includes direct costs such as emergency shelters, soup kitchens, and other homeless support services, as well as costs that result from increased stress on services such as the medical, policing, and criminal justice systems.

Research has found that investing in Housing First for people struggling with homelessness with moderate or severe mental illness is a cost-effective way of spending limited public dollars to help these individuals regain and keep permanent housing[d]. Most of the costs of Housing First programs are offset by savings in other areas like emergency shelters, doctor visits, and incarceration. The net costs are about the same as many other housing interventions already being invested in through the National Housing Strategy.

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Scotia Bank Insights & Views

Canadian Housing Affordability Hurts

A doubling of social housing stock could help those in greatest need.

- Home prices are cooling in an elevated interest rate environment in Canada, but housing affordability remains elusive. Imbalances persist across the housing continuum as a result of pervasive policy coordination failures;
- Fixing the broader housing supply issue remains an imperative and is still the first-best option. Signs that we are on this path are not promising. The recent uptick in housing starts is welcome but insufficient to restore affordability;
- For most Canadians, rising shelter costs will come at a hefty opportunity cost. For low income Canadians, it represents an impossible dilemma. Market-priced housing will likely never be affordable for a serious share of households—and easily those in the lowest income quintile—based on current trajectories;
- Over 10% of Canadian households (or 1.5 mn) were in core housing need according to the 2021 census. By definition, they have nowhere else to go in the marketplace. Another near-quarter of a million Canadians are homeless;
- The economic case is equally compelling. Governments are attempting to alleviate the strain on lower income households with a host of transfers, but the cost to do so will continue to escalate as shelter costs rise, market income provides little offset, and policy failures persist;
- A modest start would be doubling Canada's stock of social housing to bring it in line with peers in the context of a coherent and well-resourced strategy. This would not plug the gap, but it would be a start;
- Such an approach may be more responsive to the needs of Canada's most vulnerable households and more cost-efficient for governments in the long run;
- The infrastructure to support these most vulnerable Canadians is stark: Canada's stock of social housing represents just 3.5% (655 k) of its total housing stock, while wait-lists are years long. The moral case to urgently build out Canada's anemic stock of social housing has never been stronger.

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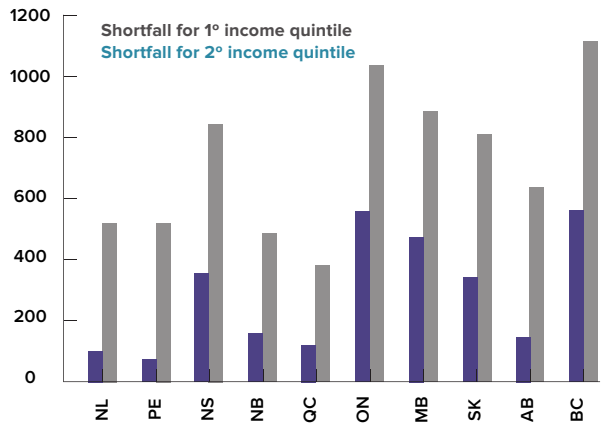
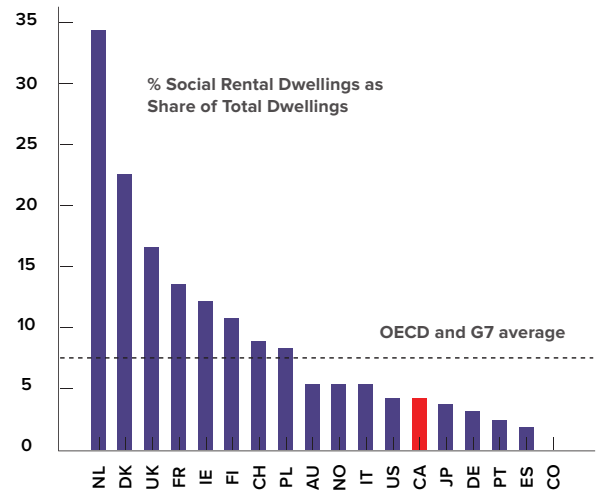
SOURCE: Scotia Bank Insights and Views: Canadian Housing

Additional Income Needed to Afford Market Rent



SOURCES: Scotiabank Economics, Statistics Canada CMHC. Notes: Affordable calculated as 30% of before-tax income of renters (using 2019 income data inflated at 2% to reduce pandemic distortions). Rent (market and social) prices from 2021 latest available.

Doubling Social Housing Stock Would Bring Canada Just to the Peer Average



SOURCES: Scotiabank Economics OECD

In addition, the survey found:

- Nearly one-third (30 per cent) of respondents identified as Indigenous[9]. In contrast, approximately five per cent of the Canadian population identified as Indigenous (2016 Census);
- Approximately 36 per cent of survey respondents identified as women[10]. However, research has consistently shown[11] that women are more likely to experience hidden homelessness and will go to extraordinary lengths in order to avoid homelessness. This means many women remain in situations of abuse for years, trade sex for housing, or couch surf to stay off the streets;
- Rates of homelessness are increasing for those over 50 years[12] of age. One-quarter of survey respondents were over 50[13].

The Count is based on a snapshot of homelessness at a given time. It tends to over-represent the chronically homeless[14], who are more likely than others to be homeless on the night of the survey[15].

Based on shelter counts conducted over a one-year period, one in ten shelter users experience chronic or episodic homelessness[16]. The federal government estimates that 25,000 Canadians experience chronic homelessness[17].

People experiencing homelessness in Canada are diverse in terms of age, gender and ethno-racial background. They include men, women, 2SLGBTQI+, children, youth, seniors, people with mental illness, newly arrived immigrants, refugees, racialized groups, women victims of spousal violence and people who have recently been released from institutions such as correctional facilities. Some groups are over-represented, and all require targeted approaches to address their needs.

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For example:

- Eight per cent of Canadians aged 15 and over reported that they, at some point in their lives, had experienced hidden homelessness, temporarily living with family, friends, in their car or anywhere else because they had nowhere else to live[18];
- Youth who may be more vulnerable to homelessness include two-spirit, lesbian, gay, bisexual, transgender, queer (2SLGBTQI+) youth; those escaping violence and abuse; newcomers; those exiting the child welfare system[19];
- Indigenous Peoples; and those who have been involved with the criminal justice system.

WHAT TYPE OF HOUSING IS NEEDED IN CANADA?

Most people in core housing need are faced with affordability issues, but many groups face specific housing issues. Indigenous People often face difficulty finding housing that is adequate and suitable. Lone parents, refugees and people with disabilities also face both issues.

People in need have a common characteristic: the current housing stock does not meet their needs. The issue may be that they cannot afford it, don't have the number of bedrooms that they require, or are located far from their place of work or other services they need.

To meet the broader right to housing, Canada will have to expand supply, but also the right type of supply. Specifically,

The Housing Rights of Indigenous Peoples

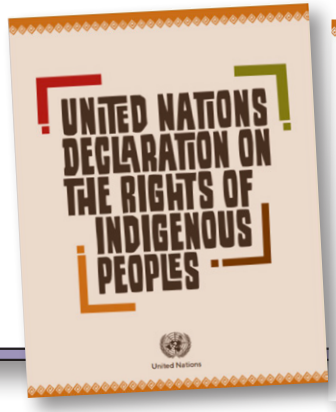
ARTICLE 21

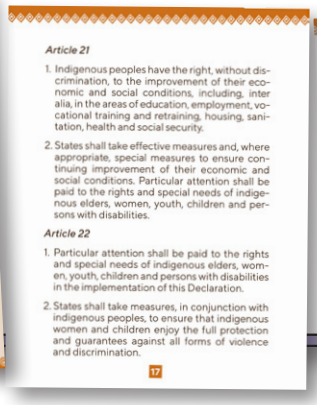
1. Indigenous peoples have the right, without discrimination, to the improvement of their economic and social conditions, including, inter alia, in the areas of education, employment, vocational training and retraining, housing, sanitation, health and social security.
2. States shall take effective measures and, where appropriate, special measures to ensure continuing improvement of their economic and social conditions. Particular attention shall be paid to the rights and special needs of indigenous elders, women, youth, children and persons with disabilities.

ARTICLE 23

Indigenous peoples have the right to determine and develop priorities and strategies for exercising their right to development. In particular, indigenous peoples have the right to be actively involved in developing and determining health, housing and other economic and social programmes affecting them and, as far as possible, to administer such programmes through their own institutions.

SOURCE: United Nations Declaration on the Rights of Indigenous Peoples





Article 21

1. Indigenous peoples have the right, without discrimination, to the improvement of their economic and social conditions, including, inter alia, in the areas of education, employment, vocational training and retraining, housing, sanitation, health and social security.
2. States shall take effective measures and, where appropriate, special measures to ensure continuing improvement of their economic and social conditions. Particular attention shall be paid to the rights and special needs of indigenous elders, women, youth, children and persons with disabilities.

Article 22

1. Particular attention shall be paid to the rights and special needs of indigenous elders, women, youth, children and persons with disabilities in the implementation of this Declaration.
2. States shall take measures, in conjunction with indigenous peoples, to ensure that indigenous women and children enjoy the full protection and guarantees against all forms of violence and discrimination.

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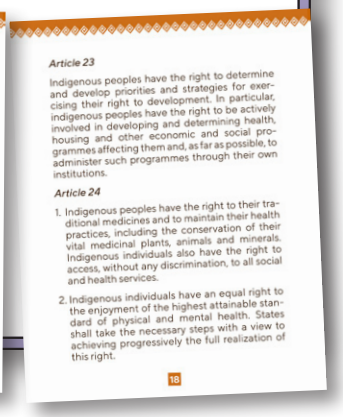

Article 23

Indigenous peoples have the right to determine and develop priorities and strategies for exercising their right to development. In particular, indigenous peoples have the right to be actively involved in developing and determining health, housing and other economic and social programmes affecting them and, as far as possible, to administer such programmes through their own institutions.

Article 24

1. Indigenous peoples have the right to their traditional medicines and to maintain their health practices, including the conservation of their vital medicinal plants, animals and minerals. Indigenous individuals also have the right to access, without any discrimination, to all social and health services.
2. Indigenous individuals have an equal right to the enjoyment of the highest attainable standard of physical and mental health. States shall take the necessary steps with a view to achieving progressively the full realization of this right.

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Canada needs non-market, deeply affordable housing supply that meets the need of those in core housing need and the most vulnerable people. Only then can Canadians achieve their housing rights. The right to housing also provides a framework that allows government to act and support other jurisdictions to build the right type of housing. It can also support communities or neighbourhoods, dealing with elements of NIMBYISM (not in my backyard) and other barriers to development. Applying a human rights-based approach toward the progressive realization of the right to adequate housing is a powerful rationale. It invites all actors in the system to work collectively towards a common goal. It also helps focus on the types of housing that are needed and how it is delivered, what form of tenure it should take and its position and access to capital within the housing finance system.

Canada has an opportunity to define a new path, so all Canadians have access to adequate housing.

INDIGENOUS PEOPLES

Canada must give focussed attention to the acute housing needs of Indigenous People in urban, rural, and northern locations, as well as on reserve and in Inuit, Nunangat, and Métis communities. These strategies must be co-developed with Indigenous Peoples and aligned with the United Nations Declaration on the Rights of Indigenous Peoples. A National Housing Strategy requires robust strategies to cover these needs.

On March 31, 2022, a companion National Housing Council Working Group published a **Report and Recommendations** to the to the Minister of Housing and Diversity and Inclusion on Urban, Rural, and Northern Indigenous Housing

This recommendations report should be read in collaboration with the Urban, Rural and Northern Indigenous Housing Report and Recommendations. Canada's National Housing Strategy has no specific provisions regarding urban, rural and northern Indigenous housing. Canada must tackle this lack with urgency and with respect to the scale of the needs faced by Indigenous Peoples.

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From:

The National Inquiry into Missing and Murdered Indigenous Women and Girls

The fundamental rights, including human rights and Indigenous rights, of Indigenous women, girls and 2SLGBTQQIA people in Canada must be upheld and respected on a substantive and equitable basis. Many Indigenous women, girls and 2SLGBTQQIA people are denied basic rights that others in Canada take for granted, such as access to safe housing and education.

Perhaps one of the strongest features of a human rights-based approach, as Brenda Gunn sees it, is that it takes these basic issues, related to safety, out of the realm of policy and into the realm of law. She explained, using housing as an example. This isn't just a policy issue that can be prioritized or not prioritized in any sort of budget, that every person has a right to an adequate house which includes a safe house, not being afraid of being evicted, that it's sort of adequate in condition, but also in the security of tenure to that placement.

This approach places Indigenous women, girls and 2SLGBTQQIA people as rights holders, to whom Canada and other governments have obligations. While these rights may be articulated in services, the fact that they are rights places an onus on governments to look at these issues as beyond the level of simple policy making. Human rights instruments, Gunn argues, provide the ability to create a list of obligations that Canada is required to fulfill, and to detail the ways in which it has failed to act, or acted improperly, in fulfilling those obligations. The report refers to housing more than 350 times.

SOURCE: The Final Report of the National Inquiry into Missing and Murdered Indigenous Women and Girls

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TOP IMAGE SOURCE: Canadian Femicide Observatory for Justice and Accountability (CFOJA)
BOTTOM IMAGE SOURCE: Walther Bernal/CBC

Canada's National Housing Strategy calls for a long-term vision for adequate housing, goals, improved housing outcomes and participatory processes.

The Government of Canada can improve on its obligations and expectations under the National Housing Strategy. The federal government needs to assess and focus programs tightly on achieving the stated goals and targets of the Strategy.

- It needs to increase non-market housing;
- It needs to scale up the Canada Housing Benefit to help households in core housing need by creating a simple system like the Canada Child Benefit;
- It needs to establish an Urban, Rural, Northern Indigenous housing strategy designed and administered by an Indigenous organization;
- It needs to improve coordination and collaboration across all levels of government.

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The National Housing Strategy includes more than ten major programs, along with other activities to promote innovation and research. It is intended to address housing needs and homelessness in Canada.

When it was launched in 2017, the Strategy included new programs, but also expanded existing ones that were designed before the principles of the Strategy were established. It included steps to progressively implement the right of every Canadian to access adequate housing and prioritized actions and outcomes to support those people in greatest need of access to adequate and affordable housing options.

When the National Housing Strategy Act was passed in 2019, it reinforced the vision for the Strategy. Section 5 (2) of the Act says:

The National Housing Strategy is to, among other things:

- Set out a long-term vision for housing in Canada that recognizes the importance of housing in achieving social, economic, health and environmental goals

SOURCE: Prairie Sky Co-Housing Co-operative in Calgary Alberta

- Establish national goals relating to housing and homelessness and identify related priorities, initiatives, timelines and desired outcomes
- Focus on improving housing outcomes for persons in greatest need; and
- Provide for participatory processes to ensure the ongoing inclusion and engagement of civil society, stakeholders, vulnerable groups and persons with lived experience of housing need, as well as those with lived experience of homelessness.

A goal of the National Housing Strategy is to build housing that is sustainable, accessible and suitable for people with mixed incomes and mixed uses. The Strategy supports building housing that is fully integrated into the community – close to transit, close to work and close to public services. Its primary focus is to meet the needs of vulnerable populations, such as single parent-led families, women and children fleeing family violence, seniors, Indigenous peoples, people with disabilities, those dealing with mental health and addiction issues, racialized groups and 2SLGBTQI+ people, veterans and young adults. In order to meet these goals, the 2017 Strategy also sets specific and ambitious targets: [SEE FIGURE: TARGETS OF THE NATIONAL HOUSING STRATEGY]

- Cutting chronic homelessness by 50 per cent[1]
- Removing 530 000 households from core housing need
- Renovating 300 000 existing housing units
- Building 100 000+ new housing units
- Protecting 385 000 community housing units and building 50 000 new community units

Since 2019, the Government of Canada has made several new funding commitments and programs that have built on and strengthened the National Housing Strategy with a total investment of more than $70 billion over ten years. This includes[2]

- Cost matching – 10 per cent;
- Loans – 42 per cent;
- Pre-existing planned spending – 16 per cent;
- New planned spending – 32 per cent

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Note: Since the National Housing Strategy was released in 2017 some targets have been updated/revised. 100,000+ new housing units created is now 160,000 new housing units, and 530,000 households removed from core housing need is now 540 000. The Council uses the original targets for consistency. We also recognize Budget 2022 commitments are encouraging but have not yet achieved intended results.

A REVIEW OF THE NATIONAL HOUSING STRATEGY

In November 2020, the National Housing Council began studies to assess the results of existing and new housing programs, to determine if they effectively meeting the goals and targets of the National Housing Strategy and to propose improvements to the Strategy.

The studies include:

- Analysis of Affordable Housing Supply Created by Unilateral National Housing Strategy Programs (February 4, 2022)
- Report and Recommendations to the Minister of Housing and Diversity and Inclusion on Urban, Rural, and Northern Indigenous Housing (March 31, 2022)
- A National Housing Strategy By and For Whom? Documented Experiences of People with Living Knowledge of Housing Need (June 15, 2022)
- What We Heard: Canadians Share Their Experiences with the National Housing Strategy including Recommendations to Improve the National Housing Strategy (June 2022)
- Co-Creating the Right to Adequate Housing in Canada (June 2022)
- Implementation of the Rapid Housing Initiative (August 17, 2022)
- Analysis of the Progress of Bilateral National Housing Strategy programs (August 22, 2022)

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TARGETS OF THE NATIONAL HOUSING STRATEGY

100 000+ new housing units created

385 000 community housing units protected

50 000+ community housing units created

530 000 households removed from housing need

300 000 households supported with a Canada Housing Benefit

50% in chronic homelessness

300 000 existing housing units repaired and renewed

7 000 shelter spaces created or repaired for survivors of family violence

Summary of Key Observations from Research and Engagement Shared During the National Housing Council June 2022 meeting

1. The National Housing Strategy has created limited provision of deeply affordable housing.
2. The supply of existing affordable rental housing is eroding due to purchases by private investors and real estate investment trusts (REITs), which result in rising rents above affordable levels and dispossession of tenants.
3. Housing costs are detached from the level of income of many households and high inflation rates are accelerating the housing affordability gap.
4. Without ongoing expenditures, the supply of existing non-market housing, much of which offers deep affordability, is at risk of declining, reducing access to adequate housing for those in greatest need.
5. The National Housing Strategy is not addressing issues of systemic inequality in housing on the basis of disability, gender, race, gender identity and age, prioritizing those most in need.
6. Current federal programs to address core housing need have not had a significant impact on the target to remove 530,000 households from core housing need. Consequently, the current federal approach is demonstrating insufficient progress towards long-term goals of reducing core need.
7. There is a lack of coordination between housing supply/demand and housing support services, including income assistance and health supports.
8. There is a lack of data and monitoring to evaluate progress in the provision of housing that prioritizes those most in need.
9. National Housing Strategy program delivery processes are hindering uptake and limiting efficiency and effectiveness.

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The following section summarizes these findings, as well as literature reviewed, comments received and general reactions to the programs.

REQUIREMENTS OF THE NATIONAL HOUSING STRATEGY ACT

The National Housing Strategy Act sets specific requirements for the Strategy.

LONG-TERM VISION

The National Housing Strategy is to, among other things, set out a long-term vision for housing in Canada that recognizes the importance of housing in achieving social, economic, health and environmental goals.

It starts with housing. Access to adequate affordable housing for the most vulnerable and those people experiencing core housing need can transform lives, improve productivity, promote mental health and healing, build a sense of community and create prosperity for all. However, the current approach to implementing the Strategy is focused on units built, with a preference for market-first housing solutions. This approach has become detached from the importance and intended vision of the Strategy, and the role that homes have in achieving broader societal goals, including affordability, accessibility and climate compatibility. Housing should be fully integrated in the community and support those people in greatest need by being close to transit, work and public services

The following analysis shows that current programs in the National Housing Strategy are having little impact on Canada's most vulnerable people and failing to address their housing needs. Programs focus on supply first and often fail to identify who benefits. They do not take into consideration the loss of affordable stock to market forces. A broader strategy that intentionally targets social, economic, health and environmental goals could help transform Canada's current affordable housing crisis into an opportunity to build housing affordability for all in a new housing future.

NATIONAL GOALS

The National Housing Strategy is to establish national goals relating to housing and homelessness and identify related priorities, initiatives, timelines and desired outcomes.

The Council wants to acknowledge that Canada has taken steps to establish goals and desired shared outcomes. However, participants in the engagement process consistently raised a need for greater transparency and data on the progress to achieving the targets. Participants wanted to know who is being housed, and who is included in the current measurements of core housing need and in the Strategy's priority groups. In other words, are the Strategy's responses and the programs created to achieve its goals and targets working? And is it primarily focussed on meeting the needs of vulnerable populations?

The Strategy identifies priority groups such as women and children fleeing family violence, seniors, Indigenous peoples, people with disabilities, those dealing with mental health and addiction issues, racialized groups and 2SLGBTQI+ people, veterans and young adults. This is encouraging, but it leaves behind groups that are not currently recognized in the definition of core housing need, including lone person households, single-parent households, students and people experiencing homelessness.

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A National Housing Strategy by and for whom?

(Documented experiences of people with living knowledge of housing need.)

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The needs of vulnerable people based on their lived experience is an important lens to apply in reviewing the policies, programs, outcomes and targets of the National Housing Strategy. However, the trauma of vulnerable people must be considered. Seeking the input of vulnerable people with lived experience must not reproduce past harm. The Council commissioned A Way Home Canada (AWHC) to conduct a review and analysis on documented experiences of people with living knowledge of housing need.

This report provides a literature review that examines nearly 300 documents and provides four overarching conclusions from the analysis. It makes nine recommendations to advance not only the realization of the right to housing, but also the centring of lived experience in the development of housing solutions.

RECOMMENDATIONS INCLUDE:

Lived experience (LE) knowledge is essential to fulfilling the goals of the National Housing Strategy and realizing the right to housing. As such, LE knowledge must be prioritized in housing-related research, policy and planning (Recommendations 1 and 2).

Deep affordability and adequacy measures are necessary for realizing the right to housing (Recommendations 3, 4 and 5);

Advancing the right to housing requires applying an intersectional lens (Recommendations 6 and 7);

Recommendations from people with LE already exist; the National Housing Strategy must be accountable to their realization (Recommendations 8 and 9);

A National Housing Strategy By and For Whom? Documented Experiences of People With Living Knowledge of Housing Need.

PERSONS IN GREATEST NEED

The Strategy must focus on improving housing outcomes for persons in greatest need.

During engagements, housing experts and stakeholders consistently raised certain concerns:

- Programs are not targeted enough to reach those in core housing need or the most vulnerable including those experiencing homelessness;
- Programs are failing to realize Canadians' right to housing, particularly for Indigenous Peoples, women, the frail elderly, people with mobility challenges and gender diverse people.

The feedback received from housing experts and stakeholders consistently said that federal programs should be better aligned with the goals of the Act and targeted at reducing core need and homelessness.

PARTICIPATORY PROCESSES

The National Housing Strategy Act is to provide for participatory processes to ensure the ongoing inclusion and engagement of civil society, stakeholders, vulnerable groups and persons with lived experience of housing need and homelessness.

The Council wants to acknowledge that the government has appointed members of the National Housing Council and the Federal Housing Advocate, which meets important commitments in the Act.

Background Research

by Blueprint ADE

Analysis of Affordable Housing Supply Created by Unilateral National Housing Strategy programs, produced for the National Housing Council by Blueprint ADE on February 28, 2022, found:

- Producing deeply affordable rental units is critical for reducing core housing need and homelessness;
- Housing need is deepest and most prevalent in groups of Canadians that have historically been marginalized and disadvantaged. These groups will be left behind if the housing produced is not affordable to those in need;
- Supply created by the National Housing Strategy programs studied in this report, for the most part, does not meet the needs of those in core housing need;
- Even if the Rental Construction Financing Initiative (RCFI) and the National Housing Co-Investment Fund (NHCF) produced deeply affordable units, the number of units produced is not enough to meet the National Housing Strategy' targets on their own.

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AFFORDABLE UNITS CREATED COMPARED TO HOUSEHOLDS IN CORE HOUSING NEED

Source: Analysis of Affordable Housing Supply Created by Unilateral National Housing Strategy Programs (February 4, 2022)

Funding allocated to National Housing Strategy programs

Funds allocated to implement programs under the National Housing Strategy are:

- $36.7 billion 2018/19 to 2028 (planned spending)
- $31.2 billion in loans
- $7.4 billion in provincial/territorial cost-matching (non-budgetary commitments)

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A REVIEW OF THE MAIN NATIONAL HOUSING STRATEGY PROGRAMS

However, ongoing inclusion and engagement requires government to work collaboratively with people impacted and people with lived experience.

To better understand the performance of the National Housing Strategy, the National Housing Council commissioned research to analyze the main programs of the National Housing Strategy that address core housing need and homelessness.

These include two types:

- Unilateral programs – those that use federal funds only
- Bilateral programs – those that involve cost-sharing arrangements with the provinces and territories

UNILATERAL PROGRAMS

Four unilateral programs that focus on housing supply provide federal funds to construct, maintain and renovate rental housing:

- The Rental Construction Financing Initiative (RCFI)
- The National Housing Co-Investment Fund (NHCF)
- The Rapid Housing Initiative (RHI)
- The Federal Community Housing Initiative (FCHI)

Table 1 describes these programs in detail. Together, the grants and loans provided by these programs make up over half of the commitment under the National Housing Strategy, and most of the funding for increasing rental supply.

By February 2022, these programs had approved $8.3 billion in loans and $2 billion in grants, approximately one-quarter of the total unilateral program funding. Most loans have gone to private developers, and most grants have gone to municipalities. Notably, more than half of the grant-based funding has gone to the City of Toronto to repair existing non-market housing. While these programs do not formally require provincial/territorial cost sharing, most rental housing built through these programs requires additional funds to build viable affordable housing.

Two smaller unilateral programs under the National Housing Strategy are the Affordable Housing Innovation Fund and the Federal Lands Initiative. These programs have planned spending of $723 million and $420 million, respectively.

As of September 30, 2022, 19,100 new units have been committed through the Affordable Housing Innovation Fund of which 16,572 will be affordable. Another round of funding for this program is expected to create up to 11,600 more units. In addition, a Federal Community Housing Initiative will provide $625 million for rental assistance support and transitional funding for non-market housing providers.

How much affordable housing has been built through the unilateral programs? The Rental Construction Financing Initiative (RCFI), National Housing Co-Investment Fund and Rapid Housing Initiative will together fund repairs of approximately 66,000 units of existing housing and create just under 35,000 units of new housing (as of June 30, 2022).

While each program has criteria to produce affordable housing, the programs apply a variety of definitions of affordability. In these programs, CMHC uses five different definitions of affordability, all relative to the market price of housing in a specific geographic area with the exception of the Rapid Housing Initiative. (For example, the mandatory minimum requirement for affordability within the Co-Investment Fund is rents for at least 30 per cent of the units must be less than 80 per cent of the Median Market Rent and maintained for a minimum of 20 years.) These varying definitions of affordability mean that there is no assurance that rents will be affordable for those in core housing need. Figure (Affordable Units Created Compared to Households in Core Housing Need) compares the supply created by these programs to core housing need.

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TABLE 1

Analysis of affordable housing built through **Unilateral National Housing Strategy** programs

PROGRAM 1

Rental Construction Financing Initiative (RCFI)
Available to Market and Non-Market Developers

Largest National Housing Strategy program, but produces least amount of affordable housing for people in core housing need

PURPOSE: Provides funding for housing that is affordable to middle-income households, a group that tends to have higher incomes and lower rates of housing need

ANALYSIS:

- Low-income households comprise the majority of those in core housing need; however, RCFI has produced almost no units that could lift them out of core housing need.
- Only about 3% of units in RCFI-funded developments would be both suitable for, and affordable to, low-income households in core housing need.
- The RCFI's affordability criteria fails to put any meaningful downward pressure on rents. It often permits units with rents that are well above market rent in the areas in which they are located to be counted as affordable.
- In some cases, new RCFI developments demolish existing low-rent units and displace low-income households.
- The location of scattered affordable units within market rental housing developments presents the ongoing challenge of monitoring and maintaining below-market rents.

PROGRAM 2

National Housing Co-Investment Fund (NHCF)

But process to apply could be improved

PURPOSE: Provides funding for affordable housing that charges below-market rents. Available to organizations that have partnered for funding with another level of government

ANALYSIS:

- The NHCF is better than the RCFI at producing units that could lift low-income households out of core housing need: about one-third (35%) of new units in NHCF-funded developments are suitable for and affordable to low-income households.
- Some additional improvements could increase the program's impact, including direct grants to reduce rent structures and improvements to pre-development and approvals resources.

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TABLE 1

Analysis of affordable housing built through **Unilateral National Housing Strategy** programs

PROGRAM 3

Rapid Housing Initiative (RHI)

But could be improved to meet needs of urban, rural, northern Indigenous providers

PURPOSE: Provides funding for housing (using construction and/or acquisition grants) that is affordable to those in severe housing need

ANALYSIS:

- While the RHI is the smallest of the three programs studied, it shows promise as an avenue for addressing core housing need
- Offering grant funding, as opposed to loans, was a major success factor, as it allowed recipients to provide more deeply affordable units to vulnerable groups
- Recipients found the flexibility and responsiveness shown by CMHC to be particularly beneficial when developing projects on tight timelines and in difficult circumstances (e.g., the COVID-19 pandemic)
- The RHI could be improved by:
  - Introducing predictable, more generous timelines for applications and project completion
  - Adding funding to support the wellness and well-being of vulnerable tenant groups after project completion making the application process more transparent and accessible
  - Exploring options for introducing an Indigenous stream under the RHI
  - Greater input from Provinces and Territories on project selectionstream under the RHI
  - Further consideration is needed to promote mixed income and inclusive communities

PROGRAM 4

Federal Community Housing Initiative (FCHI)

Requires more to protect and preserve non-market stock

PURPOSE: Provides funding to non-market housing providers with expiring or expired federal housing agreements and to serve housing providers not covered by Social Housing Agreements

ANALYSIS:

- Phase 1 (2018–20) provided $38 million to help providers preserve affordable units
- Phase 2 (2020–28) earmarks $580 million in continued support
- FCHI does not support repairs or expansion of the existing community housing stock and provides only limited transitional funding to select providers rather than ongoing operating funding

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SOURCE: Analysis of Affordable Housing Supply Created by Unilateral National Housing Strategy programs

Supporting the Preservation and Acquisition of Affordable Existing Supply

The Canada Mortgage and Housing Corporation (CMHC) oversees a variety of affordable housing programs, but none are particularly targeted toward acquisition and only a few fund the preservation of affordable housing. Non-profit housing providers (NPHPs), the second-largest provider of affordable rental housing in Canada, are well-positioned to address some of the challenges of the current housing crisis given the degree of affordable housing they provide and their social mission.

NPHPs, however, face several barriers and challenges, specifically in acquiring and preserving existing affordable rental stock. While NPHPs will not solve all the problems of affordable housing, they are essential actors in addressing many aspects of the housing crisis. They can fill the housing gap between what the private sector cannot do and what governments do not have the ability to do on their own.

As of 2017, the 10-year federal National Housing Strategy is intended to support three overarching outcomes - build new affordable housing and renew the existing affordable housing stock; provide technical assistance, tools, and resources to build capacity in the community housing sector; and provide funds to support local organizations and support research, capacity-building, and excellence and innovation in housing research.

Since then, the initial commitments have been expanded and currently, an ambitious plan of more than $70 billion aims to ensure that all Canadians have access to affordable housing that meets their needs. The federal government has recently recognized the need to prioritize the acquisition and preservation of affordable housing and to increase collaboration with NPHPs to address the challenge of housing in Canada.

SOURCE: Acquisition And Preservation Of Affordable Rental Housing In Canada, Policy Lab 2022, McGill University

Rental Construction Financing Initiative

RCFI has frequently been criticized over its affordability criteria. Under those rules, units are deemed affordable when they are rented for no more than 30 per cent of median family income in the surrounding area.

The calculation includes homeowners, who earn more than renters on average. And any unit that rents for that price is considered affordable, no matter how big or small it is. As a result, an RCFI-funded development in downtown Winnipeg was able to charge $1 756 monthly for an affordable bachelor unit – or 2.3 times higher than the average market rent for such a unit, according to a report published earlier this year by the non-profit Blueprint.

The affordability rules fail to put any meaningful downward pressure on rents, the report said.

SOURCE: Globe and Mail November 11, 2022 – CMHC won't reveal where billions of dollars in rental construction loans are going

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BILATERAL PROGRAMS

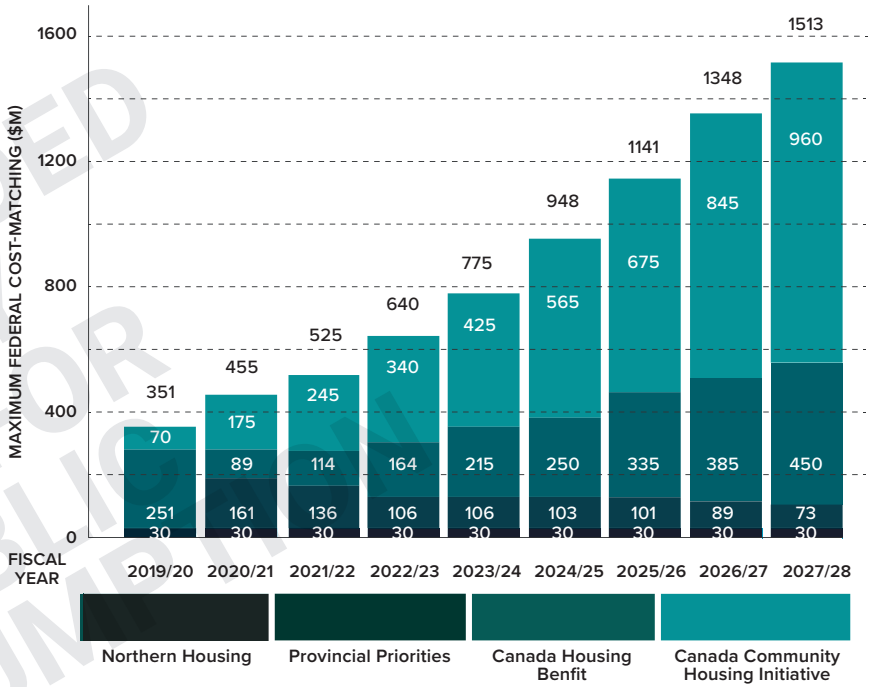
Bilateral agreements under the National Housing Strategy establish cost-sharing arrangements with the provinces and territories. They have targets intended to:

- Maintain the 330,000 units of existing non-market housing (as identified in 2019)
- Expand rent-assisted non-market housing by 15 per cent, roughly 50 000 units

The number of non-market housing units with a federal funding commitment is not known. However, current program designs suggest that the existing stock of non-market housing will be preserved and an additional 6 000 units of new co-op housing could be created.

NOTE: Québec did not endorse the National Housing Strategy and signed its bilateral agreement outside of the Housing Partnership framework.

MAXIMUM CMHC FUNDING, BILATERAL AGREEMENTS



SOURCE: Data compiled from provincial/territorial bilateral agreements – Blueprint ADE report

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TABLE 2

Analysis of non-market housing maintained and built through **Bilateral National Housing Strategy** programs

PROGRAM 1

Canada Community Housing Initiative (CCHI)

Supports existing non-market housing but more funding is needed to increase and preserve affordable stock

Not meaningfully increasing supply

PURPOSE: Provides cost-matched funding to replace expiring provincial operating agreements for social housing signed in the 1990s. Result was to delegate responsibility for non-market housing to the provinces/ territories

ANALYSIS:

- Funding scales up over the course of the agreements from $70 million in 2019/20 to $960 million in 2027/28
- Housing providers see the CCHI as the replacement for the Social Housing Agreements and not net new funding
- Unlikely to lead to significant increases in supply

PROGRAM 2

Provincial/ Territorial Funding Priorities (PTFP)

Requires more funding to preserve affordable stock and increase supply

PURPOSE: Provides cost-matched funds that provinces and territories can use at their discretion for construction, renovation and affordability assistance to households in housing need, based on regional needs and prioritiest

ANALYSIS:

- PTFP funding declines over time from $251 million in 2019/20 to $73 million in 2027/28
- From 2019/20 onward, PTFP funding is below the average funding provided to provinces through the previous investments in affordable housing programs
- More direct collaboration and coordination on Funding outcomes, program flexibilities, and regular reviews on funding allocations are currently needed and requested by PT's

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SOURCE: Analysis of Affordable Housing Supply Created by Unilateral National Housing Strategy programs

TABLE 2

Analysis of non-market housing maintained and built through **Bilateral National Housing Strategy** programs

PROGRAM 3

Northern Housing Initiative

Insufficient funding

PURPOSE: Provides a flat amount of annual funding to the territories to support housing

ANALYSIS:

- The level of funding remains stable at $30 million per year throughout the course of the agreements
- Funding for northern housing is below the level of need
- The territories have the highest levels of core housing need and residents in shelters. They also have high construction costs
- The territorial funding allotment in the 2022 budget would pay for approximately 84 new units in the Yukon, about 850 fewer than needed
- The bilateral programs studied offer very modest funding to build new housing in the North

PROGRAM 4

Canada Housing Benefit

New benefit but with insufficient funding

PURPOSE: Provides funding for a new portable provincial housing benefit

ANALYSIS:

- Provinces have considerable flexibility to design the Canada Housing Benefit to meet needs within their jurisdictions, which has resulted in significant variations in design. There is a need to continually review and update allocations every three years in order to adjust to changing needs
- Unlike the other bilateral programs, which focus on housing supply, the Canada Housing Benefit is a demand-side measure and one that is linked to a household rather than a property
- Funding ramps up from $89 million in 2019/20 to $450 million by 2027/28. The Canada Housing Benefit is seen as net new funding
- The Canada Housing Benefit is not an entitlement (unlike, for example, income assistance programs). This means that there is not sufficient funding to offer the benefit to everyone who is eligible
- Nearly 980,000 households (6.1%) meet the eligibility criteria, which vary by province and territory. Of all eligible households, around one-third are in core housing need
- As currently defined by the provinces and territories, most eligible households would receive only relatively small benefits. Around one-quarter would receive less than $500 annually. This is partly because Quebec uses the Canada Housing Benefit to top up its existing housing benefit, meaning that the Canada Housing Benefit makes a small marginal additional annual contribution (around $240 per year in 2022). Only approximately 10% of households are eligible for benefits of more than $10 000 per year
- If the Canada Housing Benefit were fully funded (i.e., all eligible households as defined by the provinces and territories could receive the benefit), it could lift almost 100,000 households out of core housing need. This would amount to nearly one-third of households that are eligible for the Canada Housing Benefit and in core housing need. (While this would reduce core housing need, the effect is small nationally, reducing the per centage of households in Canada that are in core housing need by about 0.6 per centage points.)
- The cost of providing the Canada Housing Benefit to all households in core housing need would be $3.5 billion per year. This figure is far greater than the maximum funding available ($322 million). The funding gap for 2022 is $3.2 billion
- There is some inter-provincial variation in funding gaps. In 2022, the gaps are largest in Ontario and British Columbia, two provinces with high rates of core housing need. Meanwhile, Quebec, a province with low rates of core housing need, appears to have sufficient funding to serve everyone who is eligible

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Key Observations and Findings

Studies by the National Housing Council have identified a wide variety of issues. This section describes some of the key findings. They form the basis for the recommendations in the next section to improve national housing programs.

ON THE NATIONAL HOUSING STRATEGY ACT OBLIGATION TO FOCUS ON GREATEST NEEDS

The National Housing Strategy, as currently designed, and the corresponding program responses have had limited impact on its primary focus on priority groups and those in greatest need.

The current set of unilateral funding programs are increasing rental supply. However, except for units in the Rapid Housing Initiative, few of the units are affordable to those in core housing need. Overall, the units produced so far do little to reduce the number of households in core housing need or facing chronic homelessness.

Many experts and stakeholders argue that affordable housing supply programs should provide more forgivable loans or subsidies in order to align rents with the incomes of population groups and household sizes that are most in need.

Some have also suggested re-allocating funding from the Rental Construction Financing Initiative (RCFI) to programs targeting core housing need or better targeting RCFI through changes to affordability criteria[a].

Furthermore, it is unclear what impact these programs have had on addressing a key target in the National Housing Strategy to remove 530,000 Canadian families from housing need and reduce chronic homelessness by half by 2028. [SEE SIDEBAR: RESULTS ON REDUCING HOMELESSNESS]

The research and analysis of the National Housing Council, including feedback it received from stakeholders and various other voices in the housing sector, show that there is a need to improve the Strategy and re-tune its corresponding unilateral programs to achieve its intended primary focus and key targets.

In addition, the bilateral programs will not increase the supply of non-market housing beyond levels seen as recently as 2015. The Strategy aims to maintain affordability in existing non-market housing and to expand community housing by 50,000 units. However, the analysis that was undertaken suggests that Canada has lost many non-market units since 2005. While the bilateral programs should stop further decline, they will not return unit numbers even to 2015 levels.

In addition, non-market housing will often be lost due to a lack or loss of funding, as well as to challenges covering operational

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or capital costs. When this happens, in Canada's current context, buyers often purchase this non-market housing and it is permanently lost. Even if the National Housing Strategy meets its 50,000-unit target for non-market housing, Canada will still have roughly 96,000 fewer units of non-market housing than in 2015.

This makes it all the more important to direct additional funds towards new non-market construction and the rehabilitation and renewal of existing non-market housing[b].

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Results on Reducing Homelessness

Overall, Infrastructure Canada, Employment and Social Development Canada, and the Canada Mortgage and Housing Corporation did not know whether their efforts improved housing outcomes for people experiencing homelessness or chronic homelessness and for other vulnerable groups. As the lead for Reaching Home, a program within the National Housing Strategy, Infrastructure Canada spent about $1.36 billion between 2019 and 2021 – about 40% of total funding committed to the program – on preventing and reducing homelessness. However, the department did not know whether chronic homelessness and homelessness had increased or decreased since 2019 as a result of this investment.

For its part, the Canada Mortgage and Housing Corporation, as the lead for the National Housing Strategy, spent about $4.5 billion and committed about $9 billion but did not know who was benefiting from its initiatives. This was because the corporation did not measure the changes in housing outcomes for priority vulnerable groups, including people experiencing homelessness. We also found that rental housing units approved under the National Housing Co-Investment Fund that the corporation considered affordable were often unaffordable for low-income households, many of which belong to vulnerable groups prioritized by the strategy. Despite being the lead for the National Housing Strategy and overseeing the majority of its funding, the Canada Mortgage and Housing Corporation took the position that it was not directly accountable for addressing chronic homelessness. Infrastructure Canada was also of the view that while it contributed to reducing chronic homelessness, it was not solely accountable for achieving the strategy's target of reducing chronic homelessness. This meant that despite being a federally established target, there was minimal federal accountability for its achievement.

Moreover, the initiatives under the strategy were not integrated, and the Canada Mortgage and Housing Corporation and Infrastructure Canada were not working in a coordinated way. In our view, without better alignment of their efforts, Infrastructure Canada and the Canada Mortgage and Housing Corporation are unlikely to achieve the federal National Housing Strategy target of reducing chronic homelessness by 50% by the 2027–28 fiscal year.

Source: Auditor General of Canada to the Parliament of Canada, Reports 5 to 8 , 2022

The need to protect an asset

(Non-Market Housing housing need.)

Lions Place, a 287-unit non-profit housing complex in downtown Winnipeg, was put up for sale in September 2022. The building requires upgrades, which the non-profit organization says it can't afford, so it's trying to sell the building. Lions Housing Centres had a 35-year operating funding agreement with the federal and provincial governments that ended in 2018. A deal was reached at the time to help residents with their rent for two additional years, but it is no longer in place. Residents are worried that if the building is sold to a private owner, rents might go up. This is just one example of how without a requirement for housing to be affordable in perpetuity, housing supply that is affordable to low and moderate-income renters continues to shrink as governments and non-profit providers sell their buildings to for-profit developers and property managers.

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ON THE NEED TO EXPAND NON-MARKET HOUSING

Many low- and moderate-income families in Canada struggle to access affordable, safe, suitable and adequate housing. Home ownership is priced out of their reach in many regions and renting in the private market consumes an increasing proportion of their incomes. In this context, the non-market housing sector has a key role to play in meeting housing needs and their right to adequate housing.

For people in core housing need, especially those faced with affordability issues, the private market is often unable – and is not expected – to provide the type of affordable housing options that meet their needs. Although the private sector can play a role to support the creation of these housing options through partnering and by providing valuable expertise and advice, they are not, nor should they be, responsible for leading non-market housing supply initiatives. Alternatively, what is needed is for federal resources to be directed to create a strong not-for-profit, community and co-op housing sector. This sector is better positioned and more able to provide the necessary affordable and deeply affordable housing options for the most vulnerable people in need. Moreover, this sector is better suited to lead on the primary focus of the National Housing Strategy, its

intended outcomes and housing targets for those in core housing need and for the needs of the most vulnerable.

Non-profits need support to acquire existing affordable private rental housing and to scale up the development of new community non-market housing. For example the recent announcement by the Province of British Columbia of the creation of a new $500-million Rental Protection Fund is an encouraging example of the type of federal housing programming needed. Non-market housing providers can preserve affordability, limit the displacement of vulnerable tenants and counter-balance the impact of financialization of housing [SEE THE SIDEBAR, FINANCIALIZATION]. They can address culturally specific needs that are too diverse to be addressed through individual programs.

Two key actions can help improve the National Housing Strategy in a response led by the non-market housing sector. First, a non-market housing supply program is required with long-term dedicated federal funds (unilateral or bilateral). The program needs significant grants and long-term lending to create a new affordable housing supply. The recent Announcement by the Government of British Columbia to create a Rental Protection Fund, is a good example of the type of program and commitment needed New fund will protect thousands of renters in B.C.

Second, income and rental supports, including a housing benefit adequate to cover the gap between subsidized rents and individual incomes, would help make the program successful.

Non-market housing providers also called for improved program designs, including:

1. Consolidated or stackable programs
2. A portfolio approach to funding, involving direct partnerships with regions or municipalities
3. Flexibility within the funding to adapt to specific community needs
4. Predictable funding
5. Simplified programs and applications
6. Advanced pre-development funding
7. Forgivable loans and rental assistance, as needed, for target households, based on income and to mitigate future risks
8. Approvals early in the development process
9. Support for the acquisition of land
10. Low-barrier investment or underwriting flexibilities[c]

Many participants engaged by Council expressed nostalgia for the CMHC of the 1980s, where the Corporation led the way for non-profit housing construction. Today, after a federal funding hiatus lasting over 30 years, most of the more than 80 organizations (other than municipal housing agencies) that used to facilitate the construction of new non-market housing are no longer in business. As such, few organizations have the capacity and technical expertise to respond to the diversity of Canadians living in precarious housing, especially in small towns, rural and remote areas. In addition, many participants

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said that federal programs need to apply continuous improvement and agile outcome-based lean program design so that public resources can be invested efficiently and achieve the best impact for each dollar spent.

Rebuilding the sector to deliver housing for those in greatest need will require an efficient and effective commitment and plan, including building not-for-profit development and management services. During extensive consultations, Council members heard that meeting the objectives of the National Housing Strategy would require increased supports for non-profit and co-operative organizations. These supports include culturally appropriate building and unit designs, wraparound services and secure tenure.

Building third sector or non-market capacity to advance Canadians' right to housing requires ongoing commitments from all orders of government to fund housing and wraparound housing services.

ON THE URGENT AND ACUTE NEEDS OF INDIGENOUS PEOPLES

Indigenous and northern households are overly represented in core housing needs and will require strategies specific to their reality and designed by them.

Bilateral funding for Indigenous and northern housing is out of step with the level of need (including access to operating and maintenance funding).

Bilateral programs aim to preserve the existing stock of Indigenous housing and offer (very modest) funding to build new housing in the North. However, existing funding falls far short of the levels needed to meaningfully address the disproportionately high rates and depths of housing need among Indigenous Peoples, particularly in the territories. Urban, rural and northern Indigenous Peoples are twice as likely to be in core housing need than other people in Canada.

Indigenous housing providers expressed concerns with funds flowing to provinces and territories instead of to Indigenous groups directly.

The Government of Canada needs to move toward a for Indigenous-by Indigenous housing strategy in order to comply with UNDRIP and the recommendations from the report What **We Heard: Canadians Share Their Experiences with the National Housing Strategy including Recommendations to Improve the National Housing Strategy.**

ON THE ROLE OF INCOME SUPPORT

Core housing needs are fluid and people will flow in and out of core housing need. While renters, single or divorced individuals, seniors, Indigenous people and women were more likely to enter and remain in core housing need, others may face only a temporary earning shortfall.

Most people in core housing need, face an affordability issue. Housing experts and stakeholders note that simply adding

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On the reality of Indigenous Peoples

CHRA and the CHRA Indigenous Caucus have estimated that the $300 million commitment to urban, rural and northern Indigenous housing in Budget 2022 is only 1.09% of the amount needed over the next ten years to close the gap on urban, rural and northern Indigenous housing.[1]

We do not have access to housing on reserve (to house women and children escaping gender-based violence). When trying to access any subsidized housing, the wait lists are extensive and women with their families and single women are forced to return to unsafe homes or access extremely costly private market housing off reserve.

– Executive Director of a shelter in a First Nation community for women and children escaping gender-based violence

We have a massive crisis in housing here in the North, our core need is roughly double the national rate of core housing need.

– National Housing Strategy programs engagement participant

IMAGE SOURCE: Native Womens Centre

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to and maintaining existing housing supply will not meet the needs of those with low incomes or faced with a temporary earning shortfall.

The federal government should provide funding to expand shelter aid or other individual rental subsidies. This would prevent many households, particularly those on social assistance, from falling further behind when social assistance rates fail to keep up with rents[d]. It would also support those who cannot afford housing for a short period, such as new immigrants, those who have lost their employment and those ending a relationship or fleeing violence.

The Canada Housing Benefit could address unmet affordability needs, but current funding levels are insufficient to meet demand for the benefit.

While the Canada Housing Benefit is a significant net new program, three factors restrict its impact:

The level of funding for the benefit is well below what would be needed to serve everyone who is eligible. In practice, many households that need a housing benefit will not receive one.

Some provincial and territorial eligibility could be better aligned with need. Some people who are eligible to receive the benefit are not in core housing need.

The need to coordinate multi-level funding sources makes the program less effective than a unilateral housing benefit.

ON BETTER COORDINATION

Given current economic constraints, greater interdepartmental coordination would allow for increased social impact. Misaligned or uncoordinated jurisdictional, or inter-ministerial/departmental responses can reduce effectiveness and return on investment, and add complexity for housing providers serving the most vulnerable, especially those requiring wrap-around services.

Many vulnerable people cannot maintain or thrive in their housing without wrap-around supports, which are not adequately funded as part of new affordable housing supply programs in the National Housing Strategy. Greater coordination between housing supply and housing support services, including health supports, could provide funding for supports in new affordable housing supply programs or link federal and provincial or territorial capital funding through integrated bilateral agreements. The priorities and targets of provincial and territorial jurisdictions need to align more closely with the priorities and targets of the National Housing Strategy and the federal government. Engaging with provinces and territories in future unilateral program designs would lead to programs that better reflect local needs and priorities.

Housing experts and stakeholders also see a need for greater inter-governmental and inter-ministerial coordination. They would like the federal government to take a whole-of-government approach to the National Housing Strategy and provide direct funding allocations for wrap-around services to regions or municipalities[e]. Any action should also consider

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coordination with provinces and territories in this regard.

The National Housing Strategy has increasingly centralized funding for the construction of new affordable housing through unilateral programs and funded the maintenance and expansion of community non-market housing through bilateral agreements. Centralization offers potential advantages in program reporting and monitoring, but these advantages are yet to be realized. Centralization typically allows for better monitoring through the development of shared indicators and reporting practices. However, in practice, provinces and territories vary in how they collect and report data, which has resulted in data that is of limited use for research and program analysis. A centralized system for data collection on a consistent nation-wide basis (with necessary federal funding support) would improve program reporting and monitoring and could lead to more effective targeting of resources.

ON PROTECTING EXISTING RENTAL STOCK AND STOPPING THE EROSION OF HOUSING AFFORDABILITY

The Federal Housing Advocate has commissioned research about the impact of financialization on people, especially those in disadvantaged groups, and their right to housing. [SEE SIDEBAR: FINANCIALIZATION.] The research paints an alarming picture. It shows that large financial actors have invested massively over the last 10 years in purchasing purpose-built rental stock, seniors housing, student housing, mobile homes and all forms

Financialization

The Office of the Federal Housing Advocate released a series of research reports that explore the growing trend of financial firms using housing as a commodity to grow wealth for their investors.

Private equity firms, pension funds and real estate investment trusts (REITs) are increasingly acquiring, operating and developing housing as an investment strategy, with the aim of maximizing returns for shareholders. This phenomenon, known as the financialization of housing, is not only driving house prices out of reach for middle-class families, it is also denying members of disadvantaged groups their fundamental human rights.

The reports confirm that this trend is having the greatest impact on disadvantaged groups, such as vulnerable seniors, low-income tenants, people with disabilities, members of Black communities, recent immigrants and refugees and lone-parent families.

Financialization is contributing to unaffordable rent increases, worsening conditions and a rise in evictions – often due to renovations or rebuilding with the goal of charging higher rents. There is also a well-documented connection between financialization and increased morbidity and mortality in long-term care facilities.

SOURCE: Corporate investment in housing linked to unaffordable rents, evictions, and long-term care deaths: study. Office of the Federal Housing Advocate, September 2022.

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of traditionally affordable housing. The report concludes that this trend leads to unaffordable rents, increased evictions, lower quality standards and even death in seniors homes.

The strategy of profit-driven housing providers is to purchase low-performing assets and through upgrades charge higher rents. Yet low-performing assets are the homes of families and individuals, who may be displaced and at risk of homelessness.

For market housing landlords (whether individually owned mom and pop businesses or privately owned corporations with large asset portfolios, including intuitional landlords and their investors), return on investment is the motivator. If acquiring existing older and in-need-of-repair housing stock provides the best return, this is where their strategies will be focused.

Often housing investment is made unknowingly via pension funds, where contributors may not understand the consequences it can have on their own future, as it makes secure affordable housing more difficult to find. By increasing rental revenues to select shareholders, financialization creates a larger societal cost for taxpayers.

Until recently, governments have been reluctant to regulate the acquisition of older market housing with affordable rents that is used by many people in need. Housing advocates have expressed concerns about potential impacts on the creation of new supply or the renewal of existing stock. This concern requires further analysis as the significant increase in investors may not have led to more supply or the right supply of affordable housing. In fact, it may have resulted a decrease in critical affordable housing supply.

The federal government can play a lead role in rebalancing this situation. It can use its broad array of regulations and incentives to protect and invest in affordable housing supply while continuing to support market housing. This would create a more even playing field for all people needing housing and address key principles of a human rights-based approach to housing.

In September 2022, the Federal Housing Advocate formally asked the National Housing Council to establish a review panel to address the financialization of purpose-built rental housing. Work on this topic will be undertaken during 2023.

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The Government of Canada can improve on its obligations and expectations under the National Housing Strategy.

The federal government needs to assess and focus programs tightly on achieving the stated goals and targets of the Strategy. It needs to increase non-market housing. It needs to scale up the Canada Housing Benefit to help households in core housing need by creating a simple system like the Canada Child Benefit. It needs to establish an Urban, Rural, Northern Indigenous housing strategy designed and administered by an Indigenous organization. It needs to improve coordination and collaboration across all levels of government.

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The National Housing Strategy provided a starting point for government leadership and actions toward the commitments stated in the National Housing Strategy Act regarding the right to adequate housing and improved housing outcomes for the people of Canada. Renewing the Strategy with the recommendations we offer will create concrete, measurable improvements in housing and in the lives of Canadians.

We hope you will accept them in the constructive, but urgent, spirit in which we make them.

In particular, we recommend that you consider the following urgent federal housing leadership, governance and accountability improvements:

- Consider the creation of a new whole of government housing accountability structure that is unified, coordinated, transparent and accountable. Some possible options include: an Interagency Coordinating Body on Housing, such as the US Interagency Council on Homelessness; A Housing Ministry (Department of Housing and Infrastructure); a Cabinet Committee; or other options;
- That such a structure focus on guidance for the effective and efficient use of maximum available federal resources to better align existing federal departmental roles, responsibilities and initiatives in eliminating homelessness and preserving and creating affordable non-market rental housing;

- That the new governance and accountability structure examine, prioritize and adopt a measurable set of coordinated outcome-based measures and associated program responses for departments to implement the recommendations in this report and before the next budget is tabled;
- That the new structure include establishment of a dashboard to report on progress in this regard that can be monitored and used to measure progress and to make course corrections as needed. That the dashboard and progress are open to the public.

The National Housing Council also makes the following five recommendations to the Minister of Housing and Diversity and Inclusion to improving the National Housing Strategy.

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Recommendation 1

IMPROVE COMPLIANCE WITH THE GOALS OF THE NATIONAL HOUSING STRATEGY ACT

The Council recommends that changes be made to the National Housing Strategy and its programs to bring them into greater alignment with the National Housing Strategy Act and its goals of realizing the right to housing, reducing core housing need, ending homelessness and addressing inequitable housing outcomes for equity-seeking populations.

To ensure optimal use of resources, meet the Strategy's vision to improve social, economic, health and environmental goals, and apply key principles of a human rights-based approach.

THE COUNCIL RECOMMENDS THAT:

- The Government of Canada should adopt an overarching vision to reduce the overall incidence of core housing need and eliminate all forms of homelessness, and improve social, economic, health and environmental outcomes. The Strategy should include timelines, targets and funding to reduce core housing need and homelessness.
- Unilateral housing supply programs should be refined and re-focused on affordable non-market housing unit creation for those in greatest need (such as individuals and families

experiencing homelessness; households in severe core housing need that pay 30 per cent or more of their income on housing; and households that are in core housing need for long periods of time). The refocussed programs should deliver deeply affordable housing where rent is geared to income and housing remains affordable in perpetuity.

- All relevant federal agencies, including but not limited to Canada Mortgage and Housing Corporation, Infrastructure Canada, Employment and Social Development Canada, Indigenous Services Canada and Women and Gender Equality Canada, should collaborate with equity-seeking groups to co-create a measurement framework for equity in housing and homelessness systems. The framework should measure housing outcomes locally and nationally for groups that are disproportionately impacted by homelessness and core housing need and have poor housing outcomes relative to other Canadians. The framework should define equity in housing outcomes, include performance indicators and metrics and be reported publicly.
- The Government of Canada should report publicly on all federal department programs that contribute to the National Housing Strategy outcomes and targets, including:
  - The number of units in each project funded by CMHC
  - Rent levels achieved
  - Demographics of populations housed (gender, household type, socioeconomic status, age, ability and location using a distinctions-based approach)
  - How the projects serve the diversity of populations in housing need and experiencing homelessness, including who is benefiting and who is excluded from programs, priorities and resource allocations
- The Minister should establish clear and measurable definitions as part of the Strategy.
  - Ending homelessness, for example, should be a key outcome of the National Housing Strategy and prioritized in Strategy programs. A key first step in this process needs to be a clear and measurable definition of what ending homelessness is (for example, Functional Zero[a]) along with a system for collecting real-time, person-specific data on all people experiencing homelessness in Canada[b].
- CMHC should develop a single definition of affordability across all of its programs that is tied to the income levels of those in housing need (so that households do not spend more than 30 per cent of household income on housing) and design programs to achieve this affordability level in perpetuity.

Recommendation 2

INCREASE NON-MARKET HOUSING

The Council recommends that the Government of Canada establish new targets and redirect associated corresponding funding to increase the share of non-market housing stock in Canada, including programs to acquire, build, renovate and

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protect the non-market housing stock to preserve and expand housing affordability in perpetuity.

To ensure that all Canadians can afford an adequate home, the Government of Canada will need to create a housing portfolio accessible to those whose needs are not met by the market.

THE COUNCIL RECOMMENDS THAT:

- The Government of Canada refocus the programs and outcomes of the National Housing Strategy and in doing so should establish new programs or refocus existing ones to increase the share of non-market housing stock in perpetuity, including those owned by non-profit housing corporations, housing co-ops and municipal governments. These programs should:
  - Ensure the ongoing viability[c] of existing non-market housing
  - Help non-profit housing corporations to acquire and rehabilitate existing private rental housing
  - Scale up non-profit and co-op affordable housing development capacity to serve all areas of the country, including small towns, rural and remote areas
- CMHC should lead the redesign of programs and delivery processes to support non-market development. This includes:
  - Ensure predictable funding for proponents and all orders of government
  - Include a mix of grants and loans at the appropriate ratio to maintain the necessary supports
  - Simplify approval processes with shorter application timelines
  - Scale up affordable housing through consolidation or a portfolio approach to meet targets
  - Direct funding to high-needs and underserved rural and northern municipalities and demographic communities
  - Provide access to public land in suitable locations
  - Manage risk through more flexible underwriting policies
  - Offer combined financing and forgivable grants to meet urgent housing needs that have been exacerbated by COVID-19 and inflationary pressures
  - Preserve existing affordable private rental housing that is at risk due to financialization and redevelopment
  - Develop partnerships and programs for the private market to contribute to viable investments that support non-market housing targets
- Scale up non-profit and co-op affordable housing development to spark a new generation of non-profit housing construction and service providers in Canada
- The Government of Canada should provide adequate financial supports to maintain existing non-market housing as adequate housing. In addition, recognizing that the

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existing National Housing Strategy ends in 2028, CMHC should develop options for maintaining rental assistance and housing stability for low-income households living in non-market housing beyond 2028.

- The Government of Canada should preserve existing affordable private rental housing that is at risk due to financialization and redevelopment (such as demolition or conversion) by establishing a program to help non-profit and co-operative housing providers acquire and rehabilitate such properties. Dedicated funds should be established for acquisition and rehabilitation of private affordable rental housing by non-profit organizations. The fund should provide rapid access to forgivable loans and low interest financing. It could be supported by pre-qualifying non-profits for forgivable loans[d].
  - The program should prioritize properties that provide the opportunity for intensification, either without demolition of existing affordable housing stock or by requiring same rent and unit size replacement
- The Government of Canada should spark a new generation of non-profit housing construction and service providers in Canada by scaling up non-profit and co-op affordable housing development capacity to serve all areas of the country, including small towns, rural and remote areas.
- The Government of Canada should explore new funding models to develop a new housing production and management system together with existing federal entities, such as the Business Development Bank of Canada, regional development agencies, etc. and with other housing providers. Housing providers are exploring approaches and models to co-develop an urban, rural and northern Indigenous strategy and to administer new funds for co-ops. Together, they could form a housing centre with robust experience in construction and housing management.

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Recommendation 3

SCALE UP THE CANADA HOUSING BENEFIT

The Council recommends that the existing Canada Housing Benefit be enhanced and scaled up to provide financial support and bridge the affordability gap for households in core housing need who are living in adequate but unaffordable housing and who are at risk of experiencing homelessness.

Stabilizing Canada's housing portfolio will take time as supply measures are costly on an up-front per-unit subsidy basis. Given the urgency of the current housing crisis, it is imperative that the Government of Canada take immediate and cost-effective measures to target those in greatest need who are do not meet the Canada Housing Benefit eligibility criteria established by the provinces and territories. The Canada Housing Benefit is a critical part of the National Housing Strategy. It could allow the federal government to address unmet needs. If scaled up, the federal government could direct new funds unilaterally to address housing poverty and income security.

THE COUNCIL RECOMMENDS THAT:

- The Government of Canada should enhance and scale up the Canada Housing Benefit by incorporating a stream that is federally delivered and targeted to households experiencing or at risk of experiencing homelessness and who are not covered under the Canada Housing Benefit delivered by provinces and territories.
  - The new stream under the Canada Housing Benefit would be calculated on actual rent paid by tenants (rather than average market rent) to decrease cost and increase horizontal equity.
- The Government of Canada should explore the feasibility of delivering the new Canada Housing Benefit stream through a tax system by an application similar to the one-time top up to the Canada Housing Benefit application and other federal programs like the Canada Child Benefit. Households could apply for the benefit through their tax return by entering rent information and requesting assessment. This could be reviewed every year.
- The Government of Canada should explore opportunities to harmonize the new stream under the Canada Housing Benefit with other federally and provincially administered shelter supplement and housing support programs. The new stream could repurpose provincial social service funds, improve effectiveness and equalize housing outcomes under a coherent national policy. The Government of Canada should also explore with other jurisdictions how to integrate the range of social benefits for greater fairness, transparency and administrative efficiency, including supports to persons with disabilities, persons on social assistance, seniors, lone-parent households, etc.
- The Government of Canada should request that CMHC assess the feasibility of scaling up the Canada Housing Benefit program with a stream delivered federally and unilaterally as described above and provide detailed costing and program modeling required to implement the new stream.

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Recommendation 4

IMPROVE FUNDING FOR INDIGENOUS HOUSING

The Council recommends that a separate funding stream be established to provide immediate, sustained and equitable levels of investment in urban, rural and northern Indigenous housing programs that are designed and administered by an Indigenous-controlled body.

- Based on the findings in the National Housing Council background report, Recommendations to the Minister of Housing and Diversity and Inclusion on Urban, Rural and Northern Indigenous Housing, the federal government should expand its commitment to reconciliation by providing funding to address Indigenous homelessness and the housing needs of Indigenous Peoples living in urban, rural and northern (URN) areas. Specific means and measures must be taken to address the gap created

by Canada's distinctions-based housing strategy.

- The Council recommends that the Government of Canada establish funding to:
  - Establish a national URN Indigenous housing body. The Minister should establish a body made up of URN Indigenous housing and service experts and the people they serve to develop and implement a strategy that is national, independent, non-political and Indigenous controlled to administer URN Indigenous housing. This will ensure Indigenous housing providers have standing and representation during the co-development process for an URN housing strategy.
  - Establish an interim mechanism to fund immediate needs. The Minister should work with Indigenous URN Indigenous housing experts as well as the National Housing Council Urban, Rural and Northern Working Group and the Canadian Housing and Renewal Association Indigenous Caucus to establish and lead an interim mechanism through which to immediately flow new funding for URN Indigenous housing.
  - Provide immediate and sustained investment in URN Indigenous housing. The Minister should initiate an initial budget request of at least $6.3 billion for the next two fiscal years as recommended in the last National Housing Council recommendation on URN.
  - Support the Reaching Home program under INFC to undertake further engagement to understand URN Indigenous homelessness. The Minister should initiate a process to engage with communities on the issue of URN Indigenous homelessness to determine whether funding and policy should be included within the national URN Indigenous housing body and a broader URN Indigenous housing strategy.

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Recommendation 5

IMPROVE COORDINATION OF HOUSING PROGRAMS

The Council recommends that measures be taken to improve coordination among and within all orders of government, including a whole-of-government approach to programs that support the most vulnerable, to achieve better social, economic, health and environmental outcomes for all.

Market and non-market housing actors agree that better collaboration and integration of services is needed among all levels of government and within governments.

THE COUNCIL RECOMMENDS FOLLOWING IMMEDIATE STEPS THAT:

A Council working group explores novel medium-term approaches for greater collaboration.

- The Government of Canada should direct all relevant departments to focus on achieving the outcomes of the

National Housing Strategy through steps such as the following:

- Federal departments should build greater flexibility in the delivery of housing programs by using outcome-based program design and lean or agile program design. Current housing programs are often rigidly designed and fail to appreciate local needs, conditions, constraints and realities. To meet housing needs, especially of those in greatest need, policies and programs should be flexible.
- Federal departments should clearly identify their collective responsibilities, accountabilities and contributions to the outcomes and targets in the National Housing Strategy. They should develop and communicate a RACI Matrix (Responsible, Accountable, Consulted, Informed) to define departmental roles and contributions to a whole-of-government response to the National Housing Strategy.
- Federal departments should undertake a process review of program delivery efficiency and effectiveness and should apply best practice business review process approaches such as agile project management and lean Six Sigma to remove existing program application barriers and bottlenecks.

- The Government of Canada should assess regional differences in costs related to construction worker availability (especially in remote areas), supply chain issues on construction materials, interest rate increases, inflation and the complexity of development on dense urban sites to ensure that available program funds reflect current costs. This will support the construction industry in the vital role it plays in building the housing supply.
- The Federal Housing Accelerator Fund should help alleviate barriers by working strategically and in partnerships with other levels of government to ensure appropriate municipal funding for housing support services and infrastructure. Municipal governments play a vital role in creating conditions that allow the construction of supply such as infrastructure and community facilities. All federal entities should urgently work to scale up the building of non-market affordable housing. The National Housing Strategy should identify not only programs, but processes, including relevant agile project management practices, to increase uptake by non-profit and co-op housing providers. This will support CMHC due diligence and accountability, while streamlining application processes.
- The federal government should work with provinces, territories, and municipalities to ensure housing affordability by coordinating the regulatory framework and associated jurisdictional responsibilities. All levels of government have important roles to play in supporting the regulation of fair and equitable rental activities and preventing illegal evictions, including considering measures such as rent controls and vacancy decontrols.

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NATIONAL HOUSING COUNCIL

Regular Monitoring and Reporting on Recommendations and Corresponding Improvements

Some aspects of the program response to the National Housing Strategy are on the right track. The Rapid Housing Initiative, for example, provides funding for housing that is affordable and to those in need. The Canada Housing Benefit has helped make housing more affordable to some people in core housing need.

However, half-way through its original design, housing issues in Canada have continued to deteriorate. Program responses do not effectively reach the priority targets of the Strategy, namely those in core housing need and those experiencing homelessness. The Strategy is at risk of failing to meet its target unless the Government of Canada takes effective action to refocus the National Housing Strategy and other federal housing programs.

The Government of Canada needs to continue to refine its strategy focusing on program responses to funding the supply of adequate housing that vulnerable people in Canada can afford and have access to the housing services that people need. One that also focusses on the principles of the right to housing and Canada's commitment to progressively realize this right.

A new federal housing program response to the National Housing Strategy targets, outcomes and objectives is needed with a clear priority firmly focussed on support for non-market housing at the centre of government investments, while continuing to remove barriers for industry to create new market supply. Council will be monitoring progress in this regard. It will look to action and report on the government's progress.

Canada must address systemic issues before the construction of new supply can fully meet the housing crisis. Many members of communities, housing and human rights experts, as well as people with lived experience can bring valuable perspectives on improvements to the National Housing Strategy and help it achieve the goals of the National Housing Strategy Act. The Government of Canada should continue to work with civil society and other external stakeholders to review and revise housing policies and programs.

This report and its recommendations should not be read in isolation, but with the understanding that it will be important for the Government of Canada to carefully consider how it can best respond to different housing needs with the right levers.

The Council looks forward to monitoring the Government of Canada's progress in achieving the right to adequate housing for all, and in particular for people in greatest need of adequate and affordable housing options. We will continue to evaluate and report on the government's actions to improve the National Housing Strategy.

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Improve Compliance with the Goals of the National Housing Strategy Act. Focus Federal Government funding support around actions and funding that recognize Housing As a Human Right.

Renewed Focus of Government Policy and Funding for: Homeless Canadians and the Homeless Crisis.

Whole of Government Approach Improve Coordination.

Scale Up the Canada Housing Benefit provide financial support and bridge the affordability gap for households in core housing need.

Improve Funding for Indigenous Housing provide immediate, sustained and equitable levels of investment in urban, rural and northern Indigenous housing administered by an Indigenous-controlled body.

Federal focus on policy and funding for:

- Housing the Most Vulnerable Canadians
- Focus on housing for those in greatest need

Increase Affordable Non-Market Rental housing funding programs to focus on non-market housing in perpetuity.

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National Housing Council
Conseil national du logement

DEFINITIONS

Accessibility – Accessibility refers to the manner in which housing is designed, constructed or modified (such as through repair/renovation/renewal or modification of a home), to enable independent living for persons with diverse abilities. Accessibility is achieved through design, but also by adding features that improve the overall ability to function in a home.

Affordability – Housing costs that do not prevent people from satisfying their other basic needs.

Canada Mortgage and Housing Corporation (CMHC) – Canada's national housing agency with a mandate to assist in developing affordable housing, help homebuyers get mortgage insurance and provide advice about housing.

Core housing need – The condition when households live in a dwelling that is not suitable, adequate or affordable and cannot afford alternative housing in their community.

- **Adequate** – Housing reported by residents as not needing major repairs.
- **Affordable** – Housing with costs that equal less than 30 per cent of total before-tax household income.
- **Suitable** – Housing with enough bedrooms for the size and composition of resident households.

Demand-side programs – Government housing programs that provide financial assistance to a household to help them pay housing expenses, such as a rent supplement paid to a building owner or a housing allowance like the Canada Housing Benefit.

Financialization – The application of financial instruments by institutions and investors in local housing markets. Includes a form of investing in which private investors, pension funds and real estate investment trusts (REITs) acquire, operate and develop market housing housing with the aim of maximizing returns for shareholders.

Habitability – Housing that contains adequate space, guarantees physical safety and protects occupants from the environment, health threats and structural hazards.

Homelessness – A range of conditions in which a person does not have stable, safe, permanent, appropriate housing, or any way to acquire it immediately. This includes conditions such as living on the streets or in emergency shelters; living temporarily with others or in motels, hostels or rooming houses; or living in precarious or inadequate housing.

International Covenant on Economic, Social and Cultural Rights (ICESCR) – a United Nations agreement that sets out standards for a variety of rights including rights to adequate housing. Canada signed the agreement in 1976 and received a report on its obligations in 2016.

National Housing Strategy – A strategy to further Canada's housing policy by setting out a long-term vision, goals, timelines, targets and outcomes.

National Housing Strategy Act – A statute of the Parliament of Canada passed in 2019 to declare the elements of the Government of Canada's housing policy and create a national housing strategy to further the housing policy and establish a National Housing Council to give advice on the strategy and policy. The Act also establishes the Federal Housing Advocate and review panels that look at certain housing issues.

National Housing Council – The National Housing Council has been established under the National Housing Strategy Act. The purpose of the National Housing Council is to further the housing policy and the National Housing Strategy by providing advice to the Minister.

Market / non-market housing – Market housing is housing sold or rented through open real estate markets. Non-market housing is housing that is protected from market forces permanently or temporarily, through structures like housing co-ops, land trusts, non-profit housing corporations and supportive housing.

Six Sigma – is a method that provides organizations tools to improve the capability of their business processes. This increase in performance and decrease in process variation helps lead to defect reduction and improvement in profits, employee morale, and quality of products or services.

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DEFINITIONS CONTINUED

Supply-side programs – Government housing programs that encourage the building or renovation of housing in order increase the supply of housing.

Unilateral programs – Government housing programs that use federal funds only. Key federal programs are:

- The Rental Construction Financing Initiative (RCFI)
- The National Housing Co-Investment Fund (NHCF)
- The Rapid Housing Initiative (RHI)
- The Federal Community Housing Initiative (FCHI)

Bilateral programs – Government housing programs that involve cost-sharing arrangements with the provinces and territories.

Key programs are:

- The Canada Community Housing Initiative (CCHI)
- The Provincial/Territorial Funding Priorities (PTFP)
- The Northern Housing Initiative (NHI)
- The Canada Housing Benefit

ACRONYMS

2SLGBTQI+ – It is the acronym used by the Government of Canada to refer to the Canadian community. 2S: at the front, recognizes Two-Spirit people as the first 2SLGBTQI+ communities; L: Lesbian; G: Gay; B: Bisexual; T: Transgender; Q: Queer; I: Intersex, considers sex characteristics beyond sexual orientation, gender identity and gender expression; +: is inclusive of people who identify as part of sexual and gender diverse communities, who use additional terminologies.

CMHC – Canada Mortgage and Housing Corporation

FCHI – Federal Community Housing Initiative

ICESCR – International Covenant on Economic, Social and Cultural Rights

NHCF – National Housing Co-Investment Fund

NHI – Northern Housing Initiative

PT's – Province and Territories

RCFI – Rental Construction Financing Initiative

RHI – Rapid Housing Initiative

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Page 22	[b]	Calculations based on Table 6.1 in Gregory Suttor, 2014, Canadian Social Housing: Policy Evolution and Impacts on the Housing System and Urban Space.
SECTION 3		
Page 25	[1]	Canadian Urban Institute calculations based on data published in municipal homeless enumeration reports: Census family is defined as a married couple and the children, if any, of either and/or both spouses; a couple living common law and the children, if any, of either and/or both partners; or a parent of any marital status in a one-parent family with at least one child living in the same dwelling and that child or those children. All members of a particular census family live in the same dwelling. Children may be biological or adopted children regardless of their age or marital status as long as they live in the dwelling and do not have their own married spouse, common-law partner or child living in the dwelling. Grandchildren living with their grandparent(s) but with no parents present also constitute a census family.
Page 25	[2]	Blueprint 2022. p 16. Connor Beer, et al. Analysis of Affordable Housing Supply Created by Unilateral National Housing Strategy programs. (Toronto: Blueprint ADE, 2022).
Page 26	[3]	CMHC, 2019, Socio Economic Analysis: Housing Needs and Conditions – Seniors Households Living in Core Housing Need.
Page 29	[4]	One in ten Canadian households living in core housing need in 2018, Statistics Canada, last modified 2020-10-02, The Daily — One in ten Canadian households living in core housing need in 2018 (statcan.gc.ca)
Page 29	[5]	Based on homelessness enumeration data from 112 communities representing almost two-thirds (64.7%) of Canada's population, which identified almost 33,000 people experiencing homelessness.
Page 29	[6]	Gaetz S, Dej E, Richter T, Redman M. The State of Homelessness in Canada 2016. (Toronto: Canadian Observatory on Homelessness Press, 2016).
Page 29	[7]	Everyone Counts – A Guide to Point-in-Time Counts in Canada – 3rd edition – Standards for participation. (Canada: Employment and Social Development Canada, 2019), accessed 2019-05-22, HPD-Guide-PiT2020-3rd-ed-20191129-EN-ED.pdf (homelessnesslearninghub.ca).
Page 29	[8]	Everyone Counts 2018: Highlights – Report, Employment and Social Development Canada, last modified 2022-04-25
Page 30	[c]	Stephen Gaetz, Jesse Donaldson, Tim Richter and Tanya Gulliver. The State of Homelessness in Canada 2013. Toronto: Canadian Homelessness Research Network Press.
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Page 32	[9]	Everyone Counts Highlights, Preliminary Results from the Second Nationally Coordinated Point-in-Time Count of Homelessness in Canadian Communities, Employment and Social Development Canada, accessed 2022-05-22, 1981-Reaching_Home-PIT-EN_(3).pdf (canada.ca).
Page 32	[10]	Ibid.
Page 32	[11]	Schwan, K., Vaccaro, M., Reid, L., Ali, N., & Baig, K. (2021). The Pan-Canadian Women's Housing & Homelessness Survey. Toronto, ON: Canadian Observatory on Homelessness.
Page 32	[12]	Final report on the Evaluation of the Homelessness Partnering Strategy, Employment and Social Development Canada, accessed 2020-05-22
Page 32	[13]	Everyone Counts 2018: Highlights – Report, Employment and Social Development Canada, last modified 2022-04-25
Page 32	[14]	Reaching Home: Canada's Homelessness Strategy Directives, Employment and Social Development Canada, last modified 2020-11-26, https://www.canada.ca/en/employment-social-development/programs/homelessness/directives.html
Page 32	[15]	Chronic homelessness refers to individuals who are currently experiencing homelessness and have a total of at least six months of homelessness over the past year or have recurrent experiences of homelessness over the past three years, with a cumulative duration of at least 18 months. Episodic homelessness refers to individuals who experiences three or more episodes of homelessness in the previous year.
Page 32	[16]	A Place to Call Home: National Housing Strategy, (Ottawa: Government of Canada, 2018), accessed 2022-05-22, page 3. https://eppdscrmssa01.blob.core.windows.net/cmhcprodcontainer/sf/project/placetocallhome/pdfs/canada-national-housing-strategy.pdf
Page 32	[17]	Data for 2014. Insights on Canadian Society Hidden homelessness in Canada, Statistics Canada. November 15, 2016. (statcan.gc.ca)
Page 33	[18]	Data for 2014. Insights on Canadian Society Hidden homelessness in Canada, Statistics Canada. November 15, 2016. (statcan.gc.ca)
Page 33	[19]	Noble, Amanda, Beyond Housing First: A Holistic Response to Family Homelessness in Canada, (Toronto, ON: Raising the Roof, 2015), 2015_HousingFirstReport_EN-WEB.pdf (homelesshub.ca)

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SECTION 4		
Page 37	[1]	This target was raised to 100% in 2020 in the Speech from the Throne as the government promised to completely eliminate chronic homelessness.
Page 37	[2]	Office of the Parliamentary Budget Officer, Federal Program Spending on Housing Affordability in 2021. (Ottawa, 2021) –
Page 51	[a]	Canadian Urban Institute. What We Heard: Canadians Share Their Experiences with the National Housing Strategy including Recommendations to Improve the National Housing Strategy. (June 2022). Page 9.
Page 52	[b]	Canadian Urban Institute. What We Heard: Canadians Share Their Experiences with the National Housing Strategy including Recommendations to Improve the National Housing Strategy. (June 2022). Page 11.
Page 54	[c]	Canadian Urban Institute. What We Heard: Canadians Share Their Experiences with the National Housing Strategy including Recommendations to Improve the National Housing Strategy. (June 2022). Page 14.
Page 56	[1]	Canadian Housing and Renewal Association (CHRA), Submission to the House of Commons Standing Committee on Finances for Pre-Budget Consultations in Advance of the 2023 Budget
Page 57	[d]	Canadian Urban Institute. What We Heard: Canadians Share Their Experiences with the National Housing Strategy including Recommendations to Improve the National Housing Strategy. (June 2022). Page 12.
Page 57	[e]	Canadian Urban Institute. What We Heard: Canadians Share Their Experiences with the National Housing Strategy including Recommendations to Improve the National Housing Strategy. (June 2022). Page 14.
SECTION 5		
Page 62	[a]	Functional Zero is achieved when there are enough services, housing and shelter beds for everyone who needs them. Source: Considerations for Defining & Measuring an End to Homelessness in Canada.pdf (homelesshub.ca).
Page 62	[b]	In the 2019 Speech from the Throne, the government made a commitment to eliminate chronic homelessness, but to date there is no federal strategy to achieve this aim, nor any plan to eliminate homelessness across Canada. The success of the National Housing Strategy must be inclusive targets to eliminate homelessness.
Page 63	[c]	The NHC defines viability as ensuring non-profits and co-ops can maintain their core mission/purpose to provide adequate and affordable housing to the low- and moderate-income households they serve.
Page 64	[d]	The City of Toronto's Multi-Unit Residential Acquisition Program is a promising practice.

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