

2018 Federal Pre-Budget Consultations

Brief Submitted by

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Introduction

Bâtir son quartier is a **social enterprise** that helps low- and middle-income groups and individuals take ownership of their living conditions through the development of **community housing** projects. Since 1976, Bâtir son quartier has completed **421 co-operative and not-for-profit projects** and created **11,936 housing units** in the Montreal area, as well as several child care centres, community centres, and facilities for social enterprises.

Bâtir son quartier works with citizens, community organizations, and municipal housing offices and provides them with **facilitation, co-ordination, and training** services as well as the **technical and administrative support** required to create community housing projects.

Projects developed by Bâtir son quartier provide access to **affordable and quality** rental housing in safe, community-centred areas. They foster the **empowerment** of individuals and communities with an approach that is based on **autonomy, democracy, and accountability**. These projects contribute to the **revitalization of neighbourhoods** and the social and economic development of communities and, in so doing, represent a **structural and sustainable response** to the problems of poverty and exclusion.

For more than 40 years, the **community housing** sector has demonstrated its relevance and potential as a **driver of social and economic development** in communities. Housing is now recognized as a cross-cutting issue intertwined with many other issues requiring solutions. Creating community housing is not just about building, renovating, or retrofitting buildings. Community housing fills certain gaps in the private market and provides a **response tailored to the housing needs** of low- and moderate-income families, seniors, small households and single individuals, especially those in need of community support.

Context

Over the past year, the federal government has held **public consultations** to let Canadians express their views on the future **national housing strategy**. Bâtir son quartier took part in this national conversation and presented its recommendations with respect to the Government of Canada's renewed role in the housing sector and specifically in community housing.

The private rental market cannot meet all housing needs, especially those of low-income and vulnerable populations. To provide an alternative to for-profit private housing, the Government of Quebec supports social housing, both low-rent public housing (habitations à loyer modique, HLM) and privately-owned community housing. In Quebec, the Société d'habitation du Québec (SHQ) acts for the Government of Canada in this sector.

In Quebec, almost half a million renter households cannot find suitable housing without spending more than 30% of their income.¹ Thus, 36.7% of renter households have a core housing need. Almost one in five households (17.4%) must spend more than 50% of their income on housing. The needs are great and also diverse.

Across Canada, there are some 600,000 social housing units, which are clearly not enough to meet the immense need for housing. More than 150,000 households are already on waiting lists for affordable housing.

Recommendations

1. National housing strategy

The need for affordable housing of good quality is enormous and the national housing strategy must provide an appropriate response. It must be designed and implemented to **rally all stakeholders** around a national objective of active and continuous investment that will **increase the stock of affordable housing** and **maintain it in good repair**.

In Quebec, when funding was available, community housing stakeholders built approximately 3,000 housing units every year thanks to subsidy programs such as AccèsLogis Québec and Logement Abordable Québec. This **rate of development is dictated by funding** and not the capacity of technical resources groups and community owners to develop even more housing.

In Budget 2016, the federal government announced that it would invest more than \$11.2 billion in a number of initiatives designed to build, renovate, and repair the stock of affordable housing in Canada and to help ensure that Canadians have adequate and affordable housing that meets their needs.

In addition to these new investments, the government confirmed that it would maintain base funding for the Canada Mortgage and Housing Corporation (CMHC) linked to the extension of long-term operating agreements for social housing.

Considering the extent of the housing needs, Bâtir son quartier is reiterating the recommendation it made during the October 2016 consultations:

- That, with respect to Quebec, the National Housing Strategy result in a five-year agreement with adequate funding for the construction of at least 4,500 new community housing units annually and the renovation by co-operatives and not-for-profit organizations of 1,500 existing private renter housing units, for a minimum of 30,000 new and renovated units.

¹ 2011 National Household Survey.

2. Development of community housing

Investing in community housing is important as are the benefits to individuals, the community, society, and the economy.

For individuals, access to community housing that is affordable and of good quality **fosters the active participation** of low- and moderate-income households in the life of the community, particularly female-led lone-parent families and newcomers. Affordable housing provides a solid, stable base on which to build one's life and also frees up money that can be spent on other essential items.

Furthermore, **investing in housing is cost-effective**. These investments can be backed by real property and do not represent a current expense. Additionally, household spending on housing, including rental housing, generates economic activity equal to 20.1% of the gross domestic product (GDP), which is made up of 13.6% in consumption-related spending and 6.5% in residential investment (2010 data).² Government investments in this sector will **stimulate Canada's economy**.

Consequently, Bâtir son quartier recommends that the Government of Canada:

- **Provide financial assistance for the capitalization of community initiatives (co-operatives and not-for-profit organizations) in order to create housing for families, seniors, and people at risk of homelessness, and provide direct assistance to households and people with income under the core need income threshold (CNIT);**
- **Provide direct mortgages to organizations responsible for these projects at rates comparable to those offered to organizations already working with CMHC.**
- **Provide on-going assistance to community organizations that provide, in these housing projects, support for the autonomy of seniors and community support for vulnerable people at risk of homelessness.**
- **Create an inventory of federal government surplus land with good potential for the creation of affordable housing, and prioritize community initiatives to create this type of housing for these sites.**
- **Eliminate the goods and services tax (GST) on projects that create new affordable housing.**

² CMHC, *Canadian Housing Observer*, p. 17.

3. Renovation of the existing housing stock and expiry of agreements

With an aging stock of private and community rental housing, it is imperative that tools and strategies to maintain the quality and affordability of this housing be put in place.

The purchase and renovation of rental properties and their transfer to the community help **maintain the size, quality, and affordability of the rental housing stock**, while empowering renters to take responsibility for living conditions.

Initiatives that **retrofit outdated properties** are obviously dependent on the availability of funding programs. However, with respect to the choice of approaches, we believe that developing and maintaining the current assets in the stock of community rental housing can temper market speculation and ensure that rents remain affordable in the long term.

Bâtir son quartier values the co-operation of different public, social, and economic actors in ensuring that initiatives to purchase and renovate properties are coupled with an integrated approach to social intervention in order **to improve community services and the quality of living environments**. In the context of major purchase and renovation projects, particularly in derelict areas or areas considered problematic (for example in urban regeneration areas), we believe that community housing can **spearhead social and economic revitalization**.

In order to move forward with this approach, Bâtir son quartier would like to make the following recommendations:

- **Reinstate the Residential Rehabilitation Assistance Program (RRAP) and extend eligibility to community initiatives in order to maintain affordable housing in good repair.**
- **Provide assistance to housing co-operatives and not-for-profit organizations that received federal funding prior to 1993 in order to fund major work or the retrofitting of their buildings and maintain affordability for the households living there.**
- **Provide assistance to organizations with contaminated soil whose agreements are expiring in order to allow them to access conventional mortgage financing.**
- **Put in place a new rental supplement program to replace existing funding agreements for organizations with expiring agreements;**

- **Introduce tax measures to support the sale of affordable private properties to not-for-profit organizations and co-operatives to help stabilize rents and ensure improved maintenance.**

4. The fight against homelessness

Across the country, homelessness is a multi-faceted and complex phenomenon that requires multiple, co-ordinated responses. An integrated housing strategy has major benefits for society—and even more so for people who are or have been homeless, or belong to other marginalized groups (former inmates, vulnerable youth, victims of violence, etc.)—which in turn have an impact on different sectors such as education and health.

Bâtir son quartier supports housing initiatives that have community support and makes the following recommendations:

- Restore the general and community character of the Homelessness Partnering Strategy (HPS).
- Review federal funding for initiatives to end homelessness.

5. Community infrastructure

Another aspect that our organization is often asked to address is community infrastructure. At present, **many community groups** in Montreal are having difficulty finding quality and affordable premises.

Thus, in view of the establishment of programs solely for infrastructure development, Bâtir son quartier recommends that the government:

- **Provide a subsidy program for the development of community infrastructure that will finance the development of solutions for housing community groups in need.**

Conclusion

In carrying out its mission of building supportive living environments by creating community housing that is accessible to low- and modest-income households, Bâtir son quartier values a collaborative approach involving local organizations, citizens, and all levels of government. This approach has been part of the DNA of Bâtir son quartier since its inception forty years ago.

Therefore, Bâtir son quartier is pleased to have this opportunity to share its vision and recommendations with the members of the Standing Committee on Finance.

In closing, given that housing issues were a recurring theme in the federal government's consultations and policy statements and in order for community housing to fully benefit from planned investments, we are making the following recommendation:

- Strengthen partnerships among the different levels of government in the area of housing and ensure the co-ordination and complementarity of programs while respecting the jurisdiction of each level of government.