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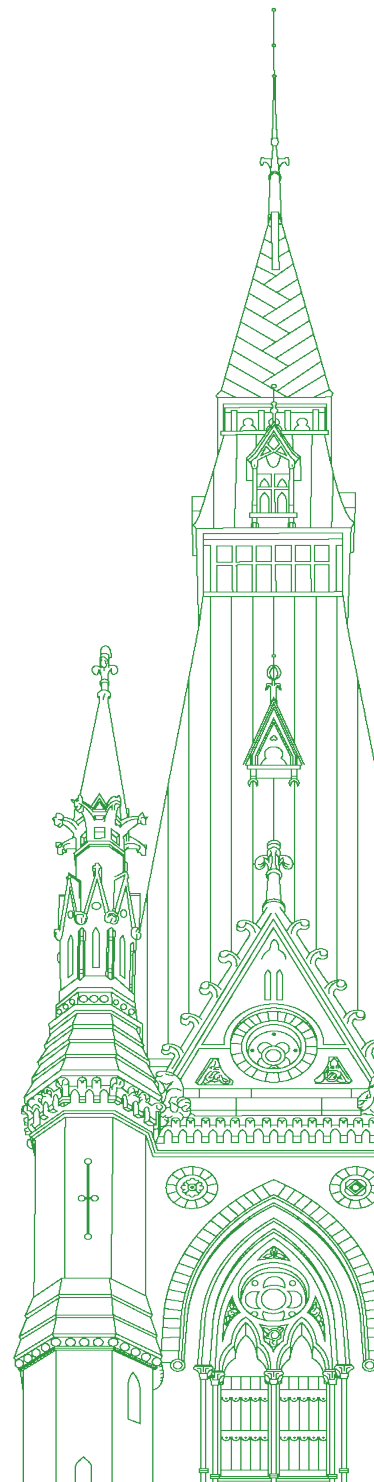
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Chair: Mr. Robert Morrissey

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• (1555)

[English]

The Chair (Mr. Robert Morrissey (Egmont, Lib.)): I call this meeting to order.

Welcome to meeting number 29 of the House of Commons Standing Committee on Human Resources, Skills, Social Development and the Status of Persons with Disabilities. Today's meeting is again taking place in the hybrid format. I would expect all those participating in person to follow the protocols in place during the pandemic.

To ensure an orderly meeting, I would like to take a few minutes for the benefit of witnesses and committee members. Before speaking, please wait until I recognize you by name. For those participating by video conference, please click on the microphone icon at the bottom of your screen to get my attention. Witnesses and members participating have the option of choosing to speak in the official language of their choice. If interpretation is interrupted, please get my attention, and we'll suspend while it is being corrected. I would also remind you that all comments should be directed through me, the chair.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Thursday, February 3, 2022, the committee will resume its study of the housing accelerator fund. I would like to welcome our witnesses to begin our discussions with five minutes of opening remarks followed by questions.

Attending is the minister, Honourable Ahmed Hussen, the Minister of Housing and Diversity and Inclusion. From Canada Mortgage and Housing Corporation, we have Romy Bowers, president and chief executive officer; Paul Mason, senior vice-president, client operations; and Bob Dugan, chief economist.

We will start with Minister Hussen for five minutes, please.

Mr. Minister, you have the floor, following which we will open to questions.

Hon. Ahmed Hussen (Minister of Housing and Diversity and Inclusion): Thank you very much, Mr. Chair.

[Translation]

I'm pleased to participate in the committee's study on the housing accelerator fund.

[English]

Housing affordability is the top concern of us all. We know that boosting housing supply is one of the main tools to address the

housing affordability challenges facing Canadians. That means increasing the supply of both market housing in addition to and in combination with affordable housing, which requires, quite frankly, different actions.

[Translation]

To fill the gap that already exists, and to keep up with our growing population over the next decade, Canada will need to build at least 3.5 million new homes by 2031, according to budget estimates.

Our government's newest budget contains multiple items to bring new supply more quickly—measures that address the breaks and delays in the housing system that are preventing new units from being built.

[English]

The biggest single measure in this category is the housing accelerator fund. Budget 2022 proposes \$4 billion over five years starting in 2022-23 to launch the housing accelerator fund. The target is to create at least 100,000 net new housing units over this period, with a focus on affordable housing with greater energy efficiency and on densification.

The fund will do so by incentivizing communities to get more housing built. It will, for example, ensure that local governments get the support they need to streamline and modernize their housing approval and delivery systems. Local governments are key partners for us in the housing system. This fund will strengthen partnerships and be flexible enough for the different needs and realities of cities and communities across the country, including in rural Canada.

When you talk to mayors across the country, they will tell you that they're facing barriers. A lot of them don't have the fiscal capacity to overcome some of these needs, whether they are infrastructure or the investments necessary to modernize permitting systems, introduce inclusionary zoning and incentivize transit-oriented development. The barriers they're facing are real, and this fund will certainly help with that.

The housing accelerator fund has already received support from right across the housing system, including from the Federation of Canadian Municipalities, the Canadian Home Builders' Association and the Canadian Housing and Renewal Association, among others. We also heard widespread support for it at our recent national housing supply summit.

[Translation]

The housing accelerator fund will join a suite of programs the Canada Mortgage and Housing Corporation, CMHC, has in place to increase market and affordable housing supply in Canada—all part of the national housing strategy.

[English]

One such program already in place is the federal lands initiative, which this committee is also looking at. This \$200-million initiative, launched in 2018, is intended to create 4,000 homes by transferring surplus federal lands and buildings to housing providers at low or no cost. Once transferred, the property is developed or renovated into affordable, sustainable, accessible and socially inclusive housing.

My mandate letter requests enhancements to the federal lands initiative to ensure that the federal government is more effectively deploying its inventory of lands to advance the objectives of the national housing strategy. Once again, I want to thank this committee for looking at the federal lands initiative and helping us get there.

Just last week, for example, we announced that our government was providing nearly \$3 million for the purchase and development of land at the former Canadian Forces base Edmonton Griesbach barracks site. This fund will assist in the development of more housing in the Village at Griesbach in north Edmonton. This will include support for a proposed project of approximately 127 homes for Métis and other indigenous members of the community and families, including 50 units dedicated to women and children fleeing gender-based violence. Residents will also have access to full on-time wraparound supports, cultural programming, counselling, child care and a community garden. Stories like this really show the success of the federal lands initiative and the potential to do even more.

I want to thank you, Mr. Chair, for allowing me to be here today to talk about these programs.

Once again, I want to thank the committee for their study of both the housing accelerator fund and the federal lands initiative.

[Translation]

We look forward to the results of your study, and to working together to continue supporting housing supply and affordability in this country.

• (1600)

[English]

At this time, Mr. Chair, I'd be more than happy to take questions from members of the committee.

[Translation]

Thank you.

The Chair: Thank you, Minister.

[English]

Madam Kusie, you have the floor for six minutes.

Mrs. Stephanie Kusie (Calgary Midnapore, CPC): Thank you, Minister, for being here today.

We've had many witnesses testify that it's very important to differentiate between affordable housing and housing affordability. It would seem, based upon your campaign promises for in fact the last couple of elections, that this program was to address housing affordability rather than affordable housing by creating middle-class homes.

Would you agree, then, that one of the main reasons housing prices are skyrocketing across the country is due to a lack of market housing supply?

Hon. Ahmed Hussen: Thank you very much for the question. It's actually a very important question, which allows me to elaborate on the housing accelerator fund.

The fund is meant to do both. It is meant to unlock more housing supply of all types—period—in Canada. How is it going to do that? It is going to do that by recognizing, as we all do, that municipalities have a big role to play in permitting and development projects, in zoning and urban planning, and so on. It is investing directly in eliminating the barriers that prevent the building of more housing supply, including more housing supply of middle-class housing.

Mrs. Stephanie Kusie: How would you define middle-class housing, Minister?

Hon. Ahmed Hussen: It is housing that is purchased by Canadians in the market. It's market housing, but the fund is not limited to just that. The fund will unlock all types of housing, of course with a bit of a preference and extra incentives for affordable housing.

Having said that, when you make permitting easier and more efficient, when you make zoning more reasonable and when you encourage intensification and transit-oriented development, it will inevitably unlock more housing supply across the spectrum, including market housing.

Mrs. Stephanie Kusie: According to your definition of middle-class housing, how many middle-class homes has your government's programs under the national housing strategy built to date, would you estimate?

Hon. Ahmed Hussen: Before I turn to Romy Bowers on that, I would highlight the fact that the national housing strategy programs are geared toward affordable housing. With the rental construction financing initiative, we build more rental stock—period—with a percentage of affordable rental units but also just putting more rentals on the market, because not a lot of developers prefer to build rentals.

The housing accelerator fund is different. This is about systems change. This is about investing in the capacity of communities to build more. We know that those barriers are real. We know that it takes too long to approve, deploy and deliver housing projects. We want to help by incentivizing that faster building of more supply.

I'll turn to the president, Romy Bowers, for more details.

Mrs. Stephanie Kusie: Actually, that's fine, Minister, I'll move on to my next question.

Your budget claims that CMHC projects the need for 3.5 million homes in the next nine years, yet according to a Scotiabank report, Canada needs 1.8 million new homes a year to keep up with the population growth. That's a vastly different number from what you and the CMHC are projecting. Why is that so?

Hon. Ahmed Hussen: In the number you reference you're referring to our ambition for the supply of new homes. As the Prime Minister has indicated, our target is to double the number of homes built in Canada. We have the fastest growing population in the G7, but our housing supply hasn't kept up with that demand, so what we're saying is that we will use the housing accelerator fund and other incentives through, for example, our infrastructure investments, to encourage more housing supply.

But that's not the end of the story. There's a role for provincial governments to also increase housing supply, and you've seen reports and expert panels from different provinces indicating that they are focused on this issue. Municipalities are also engaged in this, the private sector is part of the mix and so are affordable housing proponents. This is a whole-of-country approach, but what we're saying is that we will have national leadership and investments to encourage more supply.

• (1605)

Mrs. Stephanie Kusie: Thank you, Minister.

To the CMHC, I note here that you're using population statistics from 2016 to create housing supply projections, so I am uncertain as to where the 3.5 million homes in nine years comes from.

For my last minute, I'm going to turn to the question about the need for funds to flow immediately and how it has been stated in the past that perhaps CMHC could be better in terms of allowing funds to get out the door. Since I have very little time left, I'll ask the CMHC if you agree that funds need to be able to flow immediately, and what is your plan to do that?

Ms. Romy Bowers (President and Chief Executive Officer, Canada Mortgage and Housing Corporation): I agree, absolutely, that CMHC needs to do everything we can to ensure that funds get out very quickly to the Canadians who need the funding to create additional housing supply. CMHC is committed to always improving our processes. Since the start of the national housing strategy, we have improved our processing times very quickly, and we intend to take the learnings from some of the more recent programs that we've implemented, like the rapid housing initiative, to ensure that the learnings from those programs are applied to the accelerator fund.

The Chair: Thank you, Madam Kusie.

Next is Mr. Long for six minutes.

Mr. Wayne Long (Saint John—Rothesay, Lib.): Thank you, Mr. Chair.

Good afternoon to my colleagues.

Minister, thank you again for coming to HUMA. I want to say I very much appreciate your grasp of the file, your knowledge of the file and certainly your passion, which comes through in spades. We need somebody like you to address one of the major challenges our country is facing, so thank you for that.

I want to talk to you, Minister, about the historic \$4-billion investment in housing through the accelerator fund. Over the course of the pandemic, we've seen thousands of Canadians move from bigger cities to smaller centre cities like my beautiful riding in Saint John—Rothesay, and they're coming there in search of affordable housing. As a result, I think all of us have seen rents increase, which leaves renters, particularly seniors and families, without access to housing they can afford. Home prices have risen rapidly and become unaffordable for many first-time homebuyers.

We know the root of the problem is a lack of adequate supply of affordable housing to meet this unprecedented, rapidly increasing demand. We know that the municipalities will play a vital role in addressing this supply shortage, but smaller cities—like my city of Saint John—lack the administrative capacity to take action on housing that larger cities have. We have heard about the importance of this fund being flexible and take into account that the needs of cities like Saint John will be different from larger cities. I know when witnesses testified, our mayor, Donna Noade Reardon, talked about the challenges that cities the size of Saint John will face.

Can you speak to how the accelerator fund will address the distinct needs of smaller centres like Saint John and take full advantage of the funding we can offer? Thanks, Minister.

Hon. Ahmed Hussen: I want to thank the honourable member for the important question with respect to the housing accelerator fund. He points to a really important perspective that we hope to bring to the housing accelerator fund, which is that it has to be deployed differently in different communities.

All communities, even larger cities, have challenges with respect to barriers around faster processing of development applications, permitting and so on. I think the capacity issues are even more pronounced in smaller communities, in mid-size cities and in rural Canada. My commitment is to make sure that, as we deploy the housing accelerator fund, we make sure that we bring a rural lens, a smaller community lens, a mid-city size lens and a regional lens to its execution, so that we have enough flexibility in the fund to address both the needs of large urban centres and smaller cities and communities.

My belief is that there are some common barriers between the two sizes of communities, but there are also some barriers that are unique to smaller communities. For example, one community of a large urban centre may have a barrier of moving towards digitization of its permitting system. A smaller community might not even have enough permitting officials, period, or they may lack the capacity to put together a plan. We have to make sure that the housing accelerator fund is used in all parts of Canada because housing is now a national challenge. It's not just a big-city challenge facing Canadians. The housing accelerator fund has to reflect that.

I want to emphasize once again that it's about investing in systems change, so that at the end of the life cycle of the funding, the changes will be sustainable and they will continue to unlock new housing supply, including affordable housing.

• (1610)

Mr. Wayne Long: Minister, while affordable housing organizations in my riding also lack the capacity of those in larger cities, I'd say they punch above their weight. Together we have had success in delivering significant federal funding for affordable housing projects in Saint John—Rothesay, thanks to our government's national housing strategy.

One challenge affordable housing proponents in my riding often face is the administrative burden and delays associated with applying for funds through CMHC.

Can you speak to how this fund will build on the success of the rapid housing initiative in this regard to ensure that the application process is quick, flexible and as accessible as possible? Thank you.

Hon. Ahmed Hussen: Thank you very much.

We have learned a lot through the success of the rapid housing initiative. It landed really well. There are many folks who believed that we couldn't deliver housing in less than 12 months and the rapid housing initiative has put to bed those concerns.

I think we have learned a lot through that process. We'll obviously make sure that those lessons are embedded in the housing accelerator fund and that we are flexible enough to ensure that smaller communities benefit as much as larger communities. One way to address that is to make sure that the application process is more flexible and reasonable.

The Chair: Thank you, Minister.

[*Translation*]

Ms. Louise Chabot (Thérèse-De Blainville, BQ): Thank you, Mr. Chair.

Minister, thank you for being here today.

Since the beginning of our study, we have heard from witnesses who have provided valuable input on the new program.

We want to better understand the issue of affordable housing. In one recommendation we received, the witness indicated that simply increasing the supply of housing did not automatically translate into more housing that was affordable, let alone rental housing that was affordable.

It is therefore paramount that all levels of government work primarily towards the construction and renovation of affordable rental housing. Demand for affordable rental housing is greater than demand for regular housing, a market that tends to sort itself out. Tenant households are three times more likely than owner households to be in core housing need. The housing issues in Quebec and Canada have a much greater impact on the rental market than the housing market.

Another witness even told the committee that the housing accelerator fund was not the right program to address the issue of affordable housing, because the program does more to deal with supply than demand. The demand is for affordable rental housing units, so 30% of the funding is not enough.

We are studying the options. We are talking about a \$4-billion program over five years, after all. Taking steps solely to address

supply will do little, if anything, to change demand for affordable housing. What can we do, then, to really address demand?

• (1615)

Hon. Ahmed Hussen: Thank you for that important question.

[*English*]

First of all, this is not the only program that will result in more affordable rental housing. We actually have a much bigger program, called the rental construction financing initiative, which has grown over the years. It is now projected to invest \$25 billion over a number of years to ensure that we are incentivizing the building of more rental units across the country.

In budget 2022, that program will double the requirement for the number of affordable units, from 20% to 40%. That means that more affordable rental units will be in the market, on top of more rental units—period.

Why is the Government of Canada incentivizing the building of more rental units? It's because developers mostly don't tend to build for the rental market. They tend to build for ownership. There's a shortage of rental units across Canada. Our government has recognized that the federal government has a role in encouraging more rental units being built.

If I could come back to the housing accelerator fund, one way it will lead to more rental units is the encouragement and incentivizing of densification and inclusionary zoning. When you allow more units to be built within the same amount of land, you unlock more rental housing supply.

There are municipalities, for example, some mayors I met recently, who are moving toward allowing more units within a single family home. The idea behind that is to allow the owner of a large single-family unit with a huge backyard to be able to build up to five units and allow some of those units to be rented, therefore tripling or quadrupling the rental—

[*Translation*]

Ms. Louise Chabot: Sorry to cut you off, Minister, but I have a limited amount of time.

Affordable rental housing is desperately needed everywhere. Both Quebec's and Ontario's municipality associations have said that that is where the need is.

You are saying the newly created housing accelerator fund is not designed for that type of housing. That means it won't meet the demand.

How do we ensure that the new program addresses the demand for affordable rental housing instead of the demand for just housing?

[English]

Hon. Ahmed Hussen: Actually, it will. In fact, the housing accelerator fund will, among other things, unlock more affordable housing supply.

When I talk about affordable housing, it is about deeply subsidized rental rates in communities that now don't have enough affordable housing. This will allow renters to be given deeply affordable housing by unlocking more supply, also of affordable housing. Yes, it's part of the housing accelerator fund.

[Translation]

Ms. Louise Chabot: Can you tell us what percentage of the funding it represents? Are we talking about 30%, 50% or 60% for the affordable rental housing sector?

[English]

Hon. Ahmed Hussen: It is encouraging the building of that. It is part of the plan. What we are seeking from municipalities is to bring forth a plan to tackle the systemic barriers, but to also show a road map to build more affordable housing, more affordable rental housing and more intensification around transit.

The Chair: Thank you, Mr. Minister and Madame Chabot.

Ms. Zarrillo, you have six minutes.

Ms. Bonita Zarrillo (Port Moody—Coquitlam, NDP): Thank you, Mr. Chair.

I thank the minister for coming to the committee today.

What we're doing is not working. The market-driven lens that we're putting this through isn't working, and we're losing affordable housing at a rate of 15:1 in this country. We can never catch up with what we're doing right now. It's like trying to go up a downward escalator the wrong way. We are never going to get to the top.

My question for the minister is on REITS. Right now, REITS are acquiring rental buildings, which we mentioned are needed and that developers don't necessarily want to build. REITS are acquiring buildings that offer affordable rent and then demolishing them. Studies have shown that we are losing these housing units so quickly, and we're failing people. Would the minister support a moratorium on REITS until we fully understand the impact on people of taking away their housing in communities?

I want to share that in my community, REITS are now going after stable housing for seniors and persons with disabilities, and they have nowhere to go. Minister, I have been in the homes of single moms of children with disabilities and seniors who are asking me to find them long-term care homes to go into. They've been tricked by these developers into believing that they need to get out, even before rezoning has happened.

I want to understand. How are we going to protect affordable housing? If we're losing it at 15:1, we are never going to catch up.

• (1620)

Hon. Ahmed Hussen: Mr. Chair, I want to begin by highlighting the fact that it is our government that has brought forward a 1% tax on the value of non-resident, non-Canadian-owned residential real estate. We have committed to reviewing the tax treatment of the real estate investment trusts that the member refers to.

I want to go back to the prelude to the question, saying that our government has taken a market lens to our national housing strategy. Nothing could be further from the truth. We are the government that brought a human rights framework into the national housing strategy, a legislative framework. We are the government that has introduced a number of different programs to build more affordable housing. While we're doing that, we recognize there is more work to be done. That's why we've brought in the Canada housing benefit, which is helping literally hundreds of thousands of Canadians obtain direct rental supports so that they don't end up on the street.

We recognize there is more work to be done, but to characterize our efforts over the last number of years as being driven by the market is completely not true, and I want to challenge the premise of the question.

Yes, we have to tackle financialization. Yes, we've banned foreign investors from purchasing Canadian residential real estate for two years. That will provide more homes for Canadians. We are the government that is... Rapid housing alone has delivered 10,250 deeply affordable homes—100% federal grants that have been provided to communities to build deeply affordable housing.

We have done a lot, informed by a human rights approach. We are the government that appointed a housing advocate and a housing council. We'll do more.

It is unfair to say that we're being guided by the market. That is absolutely not true.

Ms. Bonita Zarrillo: Minister, you and I stood in a parking lot for a housing announcement where three buildings heavily supporting Syrian refugees who came to my riding of Coquitlam lost their housing based on a market approach to making land go through a development lens. The developers needed to go for extra density and bonus density. We had to do land transfers with perfectly livable, purpose-built rentals where immigrants who had recently come—refugees who came to this country—were displaced.

I stood in those homes, Minister, and I'm telling you that I've seen on the ground that we are looking at this through a market lens.

I don't have much time, so I want to talk about accessible housing. When I was first elected, I asked an Order Paper question on accessible housing. I asked about what we're losing. CMHC came back and said, "CMHC does not collect data on accessible units that have been lost or decommissioned."

I would ask the minister if we are keeping track of what we are losing in this effort to fill the supply gap.

Hon. Ahmed Hussen: I'll turn the attention of the honourable member to the fact that, in the national housing strategy, for every single project that seeks to get money from the federal government to build housing, whether it's private sector, government, another order of government or the non-profit sector, we have minimum accessibility requirements. Unless they fulfill accessibility requirements from our government, they don't get a single dime from us.

Since we came into office, we've built 36,000 units of accessible housing across Canada. We're investing in the development of more inclusive and accessible communities through the national housing strategy. The affordable housing innovation fund is encouraging projects to come forward to innovate more accessibility. Barrier-free housing for Canadians with disabilities is a priority of the national housing strategy and always will be, including in the housing accelerator fund.

• (1625)

Ms. Bonita Zarrillo: Do I have more time, Mr. Chair?

The Chair: You have 14 seconds. You could ask a short question that could go on the record, Madam Zarrillo.

Ms. Bonita Zarrillo: Sure.

I have the stats here from CMHC in asking about the decommission of accessible housing. We didn't collect data until 2017, it looks like here, and for the first three years, there really was nothing done. Maybe only in the last two years, in 2020 and mostly in 2021, was there any movement. Perhaps the minister would like to update us on why we didn't collect data before 2017 from CMHC on accessible units.

Thank you.

The Chair: Sir, could you provide the information in writing to the committee?

Hon. Ahmed Hussen: Yes. I will turn it to CMHC to provide that information.

The Chair: Thank you, Minister.

Thank you, Madam Zarrillo.

I believe it's Mr. Ruff next.

You have five minutes.

Mr. Alex Ruff (Bruce—Grey—Owen Sound, CPC): Thank you, Mr. Chair.

My question is for the officials from CMHC. I think Mr. Mason is likely the best one to answer it.

I have some not-for-profit organizations that are overseeing affordable housing builds in my riding, but they're running into issues. Some of that is tied to high inflation. There are supply chain

issues tied to the pandemic. They're getting delays, and now, also, there are the increased interest rates.

These organizations have mortgages that must be approved by CMHC. However, because their previously negotiated approvals are no longer available or meeting the interest rates now that they're going up, they're being told they can't negotiate directly with CMHC but must go through their lender, and they must buy down the interest rates to 3.5% at a cost of hundreds of thousands of dollars.

I'm asking about what options are available to these not-for-profit groups to actually carry on with these projects. When they can't negotiate and they don't have the money, what options are available to them?

Ms. Romy Bowers: Thank you very much for that question.

We recognize that the current uncertainties in the current economic environment put great pressure on housing providers, particularly those in the non-profit sector. I think the best advice that I can provide your constituents is to give the local CMHC representative a call. We work with clients on a day-to-day basis to address specific issues or concerns they're having with their files. We're very happy to talk to them and also to intercede with the lender to determine what things we can do within our authority.

I would really encourage your proponents to contact us. We'll provide the list of the representatives responsible for your riding, and we can continue the discussions with them.

Mr. Alex Ruff: Thanks, Ms. Bowers. I'll likely quote you on that, because they're being told that they cannot negotiate directly with CMHC and that they must go through the lender. Anyway, I'd appreciate clarity. Feel free to follow up.

Chair, I will cede the remaining part of my time to Mr. Liepert.

The Chair: Mr. Liepert, you have the floor for three minutes.

Mr. Ron Liepert (Calgary Signal Hill, CPC): Thank you, Mr. Chair.

Welcome, Minister.

Since this government took over, we've heard a lot about how much money has been spent on housing. I think what has been lacking, though, are the real, detailed outcomes. I hear you as minister, and the previous minister, throwing numbers around—40,000, 30,000 and whatever—but I've never really seen where that is actually justified.

First of all, I think what you're attempting to do here with this fund is the right thing to do, because if you talk to anyone in the construction business, their number one frustration is getting through the regulations, the approvals and all of those sorts of barriers at the municipal level. Taking action to try to clear out some of those roadblocks is I think the right thing to do.

Again, I'm wondering how you plan to ensure that there are specific outcomes and specific goals achieved so that we're not just throwing more money at something when we really don't know whether, at the end, the kinds of results that we hope will be attained are actually attained.

• (1630)

Hon. Ahmed Hussen: Thank you, Mr. Chair.

That's a great question, and I would point the member to our track record with other investments. If you look at the rapid housing initiative, in a very short amount of time we were able to conclude agreements with non-profit organizations as well as municipal governments to deliver housing and to deliver it within 12 months or less—and they all stepped up and did it. We were able to do that because we had binding agreements with them.

In all the different programs of the national housing strategy, we actually sign agreements with proponents to make sure that they keep up their end of the bargain with respect to affordability, accessibility and energy efficiency. This will be exactly the same. The only difference is that we're now investing in systems as opposed to a straightforward project.

On a broad scale, we will require that particular municipality or that particular regional government or whoever is responsible for the permitting and delivery of housing to bring forth a road map or a list of what the challenges are in that particular community to increase housing supply and to do it faster. Once they identify those challenges, they also have to provide us with a road map of how to overcome those challenges and what it would take to overcome those challenges and basically draw a “before and after” picture. For example, you have one permitting official in your city and you give out 100 permits a year. If we provide you with a second permitting official and we pay the salary, we expect at least 200 permits to be issued in that community. Those outcomes will be part of the systems planning we would demand in that agreement, and it will be a binding agreement.

Mr. Ron Liepert: Could you make the commitment, though, that in some form you would give updates on an every six months basis, so that we know the funds are actually going to where they're supposed to go?

Hon. Ahmed Hussen: Yes. Not only that, but we would have the power to design the funding in such a way that it is based on keeping commitments, making sure there is leverage in our agreements to make sure that people are keeping their commitments as part of the agreement. As I said, this is an investment in systems, but the systems improvements have to result in better and faster output of housing, including affordable housing. That will be identified in collaboration with the local community, and we will certainly hold them to account to make sure they meet those benchmarks.

The Chair: Thank you, Minister.

Thank you, Mr. Liepert.

Now we go to Mr. Collins for five minutes.

Mr. Chad Collins (Hamilton East—Stoney Creek, Lib.): Thanks, Mr. Chairman.

Minister, welcome today. You continue to do an excellent job, and I think everyone, irrespective of what side of the House they're on, understands that you're very passionate about affordable housing. Thank you for your attendance today to assist.

My questions today are for the CMHC representatives. I should start by saying I have questions that I'm going to submit to the clerk that I'll ask CMHC to answer after our meeting concludes.

I had the opportunity, obviously, as a municipal representative to sit on our municipal housing board for a number of years—13 years—and in the last seven I acted as president of CityHousing Hamilton. My experiences, as an elected official, with CMHC in the application process for a number of different programs that CMHC offered over the years were very frustrating. I made a commitment that if I made my way to Ottawa one day I would raise these issues, so here's my opportunity.

If I could, through you, Mr. Chairman, we in Hamilton had a number of projects on the books where we had the opportunity to apply to the co-investment fund, as well as the innovation fund and a number of other areas—rapid housing, I think. If there's an Academy Award for housing programs, that one takes home all the Oscars, but I have to say some of the other programs were very frustrating.

I've heard the same from not-for-profits here locally in Hamilton. I had the opportunity annually to visit and attend the ONPHA conference, where housing providers from across the province meet and share their experiences. I have to say that in their comments about CMHC, many relayed that they had frustrating experiences.

Today, we're talking about modernizing the application process for municipalities through the accelerator fund. I really think there should be some attention...maybe even taking some of those resources and providing them to CMHC so that they can use those funds to modernize their own application process.

I can say that, from the comments from my municipality, we experienced significant issues with the application process that led to, not just delays but unnecessary costs for us, and that's in stark contrast to the experiences that we've had with FCM and the green municipal fund that was offered to us. It was a very easy, seamless process for our staff and for our council, and the funds flowed much quicker than they did for the co-investment fund.

In dealing with the co-investment fund, we found the vetting process to be...and I think the word our staff used was “excruciating”. We experienced many delays. We were forced to submit, I think, 25 submission packages through the projects that we were dealing with related to the co-investment fund. We had 75 or more distinct documents, so you can imagine, when you're asked for additional information as part of your submission, you have to go back out to an architect, an engineer. You have lawyers who then have to revise all those documents and submit them.

It was a lot of time and lots of extra funds that we essentially didn't have. When you're dealing with not-for-profits, they're in a much different situation, because they don't have the funds and the resources that municipalities have.

I'd like your comment. Through you, Mr. Chairman, to the representatives, do you ever do a satisfaction survey with those that apply for funds through any program through CMHC? I'll start with that.

• (1635)

Ms. Romy Bowers: Thank you for that question.

The first thing I'd like to do is apologize on behalf of CMHC for the difficulties that your constituents have had. CMHC had not been in the business of providing direct delivery of housing, so definitely in the initial phases of the national housing strategy there were lots of growing pains and lesson learned. I just wanted to start off by offering my most sincere apologies for some of the things that you described.

Having said that, we have learned a lot through our experiences. We do survey our clients on an ongoing basis, and we take that feedback into account in improving our processes. For every transaction, we measure what's called a “net promoter score”, which is basically a measure of a client's satisfaction with the process. We've seen a gradual improvement in that over time, and we're actually quite pleased with where we are right now.

We've learned a lot, as I mentioned previously, from things like the rapid housing initiative. I think that program was rolled out very quickly, and it's our intention to make sure that the standard that was established in the rapid housing initiative be implemented in other programs going forward.

This is not to say we're perfect. We continue to be a learning organization, and I really appreciate your bringing these types of issues to my attention so that we can continue to learn and become better. Thank you.

Mr. Chad Collins: Thanks.

Mr. Chair, I think I'm out of time. I will add my outstanding questions to the list I'll provide to the clerk, unless I have more time.

The Chair: Thank you, Mr. Collins. Both you and Mr. Liepert are over, but they were fair questions.

We will conclude the first hour with Madame Chabot and Madam Zarrillo.

Madame Chabot, you have two and a half minutes.

[*Translation*]

Ms. Louise Chabot: Thank you, Mr. Chair.

Minister, my first question has to do with the budget and indigenous housing in rural, urban and northern communities off reserve.

The committee did an extensive study on the national strategy for indigenous people living off reserve. The government launched the strategy but allocated just \$300 million over five years in the last budget.

I want to share what the Réseau québécois des OSBL d'habitation had to say. According to the organization, in the recent budget, the government finally announced that it would move forward with an indigenous housing strategy, a much-anticipated measure the government had been promising since 2017, when it launched the national housing strategy. The organization goes on to say that the paltry sum of \$300 million over five years is practically a slap in the face given the overwhelming needs of indigenous people living off reserve.

The committee's study illustrates how extensive the needs are. We called for a housing strategy that was created by and for indigenous people.

How do you explain such an insignificant and laughable investment to address current needs?

• (1640)

Hon. Ahmed Hussen: Thank you for your question.

[*English*]

I can confirm that, absolutely, our government is committed to urban, rural and northern indigenous housing strategies, informed by for indigenous, by indigenous principle. The national housing council issued recommendations, as well, and we're fully committed to co-developing and implementing a dedicated urban, rural and northern indigenous housing strategy.

The fact is that \$300 million is a start. Let me remind the honourable member that, in a number of our programs for building and repairing deeply affordable housing, we already prioritized indigenous housing projects, including urban, rural and northern indigenous housing projects off reserve. For example, the rapid housing initiative has resulted in 41% of all projects being delivered in indigenous communities, including urban, rural and northern indigenous communities.

[*Translation*]

Ms. Louise Chabot: The funding is sorely inadequate, Minister. It's estimated that the communities in Quebec alone need more than 50,000 housing units. How can we address that need with such little funding?

How can the government claim that it is dealing with the problem, when it is investing so little?

The government is going to have some serious explaining to do as far as this strategy goes.

[English]

Hon. Ahmed Hussen: As I said, it's a question of recognizing, first of all, that this is a start. The national housing council report has a number of really important recommendations. We're fully committed to implementing all of those recommendations. In addition to that, indigenous housing projects and proposals are already prioritized in the \$13-billion co-investment fund, as well as in programs like the rapid housing initiative. However, we have to do more. I agree.

The Chair: Thank you, Minister.

I remind committee members that we are focused on the housing accelerator fund with this study.

Madam Zarrillo, you have two and a half minutes to end this first round.

Ms. Bonita Zarrillo: Thank you very much.

Minister, you spoke of accessibility minimums for housing projects to get federal funding. I'm wondering what the definition of "accessible housing" is in order to meet the criteria.

Hon. Ahmed Hussen: Mr. Chair, I will turn to Madam Bowers of CMHC to answer that particular question.

Ms. Romy Bowers: With respect to the accelerator fund, we're still in the process of determining the exact features of the program. At a minimum, the accessibility features will be aligned with the features described earlier by the minister that apply to all our NHS programs.

Ms. Bonita Zarrillo: I'm looking for a little bit more definition around what "accessible" means. I have some experience that it's very hard to get the development community to buy into universal design, accessibility features and even amenities in buildings around accessibility. Do you have any other expansion that you could share on what accessibility might look like?

Hon. Ahmed Hussen: You said that it's difficult to have the development community do those things. Well, it's very simple. If they want to access federal funds to build affordable housing, affordable rental housing and so on, they have to. It's not a choice. They have to meet those accessibility standards. Whether they like it or not, it is a commitment that our government has made, and we've so far kept that commitment in every program of the national housing strategy.

Ms. Bonita Zarrillo: Thank you, Minister.

What are those accessible features? The reason I'm asking is that some of those accessible features, even in regard to parking regulations, have been downloaded to municipalities, and then it's a council-by-council decision and bylaw-by-bylaw decision about even the exterior accessibility of the buildings in some areas.

• (1645)

Hon. Ahmed Hussen: I will turn to Madam Bowers again.

Ms. Romy Bowers: Mr. Chair, I'll take that question. We can provide the accessibility definitions for each of our programs, and we'll provide that by separate cover. We would be very happy to respond to any further questions that MP Zarrillo has on this matter.

Ms. Bonita Zarrillo: That's great. Thank you so much.

I'm going to take this last minute to talk about the GST exemption that was promised a while back. It's my understanding, even from those I've spoken to in the Liberal Party, that this GST exemption was forfeited in favour of lower credit for larger developers. They asked for lower credit. They said that would be more beneficial to them.

I just want to let the minister know that, in my riding, we forgave.... One of the developers came in with a purpose-built rental unit. They owned the land. They asked for some lessening in parking regulations so that they could build a purpose-built rental unit, expecting almost half a million dollars in GST exemption, and it never came.

It seems that, due to the lack of GST exemption for the smaller developers who already own land and for those who have been renting out their buildings for 20, 30 or 40 years, they will immediately owe GST as soon as they rent their first unit. It puts them at a disadvantage to the larger development community that can go ahead and pre-sell units. It's incentivizing market condos over our rental units. I wonder if there is any talk about revisiting this GST exemption to encourage more purpose-built rental and to even save some of the purpose-built rental that we have right now.

Hon. Ahmed Hussen: I would encourage the member to look at the track record of the rental construction financing initiative, a program that provides 100% financing to folks who are building rental stock. In budget 2022, in response to stakeholders and members of the opposition, we are doubling the affordability of the units from 20% of all the units built through RCFI to 40%. I hope that the member can support that process.

The Chair: Thank you, Madam Zarrillo.

Thank you, Minister, for appearing before the committee on an issue that is certainly very much in the forefront today, as well as the officials from the CMHC. You can sense from the questions here that members have a lot of interest in this particular file.

With that, we will suspend for a few moments while we transition to the final round and get the witnesses online.

Thank you again, Mr. Minister.

We'll suspend for five minutes.

• (1645)

(Pause)

• (1650)

The Chair: I call the meeting back to order as our time is restricted.

I offer my apologies to the witnesses for the late start, but we were held up with votes in the Commons.

I'm going directly to opening statements.

Welcome to the three witnesses. We have Mr. Éric Cimon, director general, from Association des groupes de ressources techniques du Québec; Jeff Morrison, executive director, from Canadian Housing and Renewal Association; and from the Canadian Real Estate Association, Michael Bourque.

You have five minutes for opening statements. It would be great if you could keep them within that context, to give our members the chance to question you because we will be stopping at about 20 minutes after five.

We'll begin with Mr. Cimon.

[Translation]

Mr. Éric Cimon (Director General, Association des groupes de ressources techniques du Québec): Thank you, Mr. Chair.

Thank you for the opportunity to appear before the committee to inform its study on the creation of the housing accelerator fund.

I'd like to begin by saying a few words about the Association des groupes de ressources techniques du Québec, or AGRTQ. The association represents 25 technical resource groups, TRGs, serving all of Quebec. What are TRGs? They are social economy enterprises that, for over four decades, have contributed to the creation of more than 86,000 co-operative and not-for-profit housing units, equivalent to over half of Quebec's social housing stock.

TRGs have also been involved in numerous real property projects that are community-oriented, including multi-purpose community centres and child care centres. For more than 40 years, TRGs have played a central role in developing housing projects at every stage of the process. TRGs are catalysts for housing projects that meet the diverse needs of the most vulnerable segments of the population.

The creation of a fund to support the development of housing projects is wonderful news given the critical need and enormous challenges. I want to point out that the government's role in developing these projects should, first and foremost, be to support the construction of housing units for people who are vulnerable and have low incomes. With resources being limited, the government has to set priorities. I would even say that the investment should help structure the sector and support its sustainability, and that social and community housing should be prioritized. That is the only model that provides for sustained affordability throughout a building's life cycle.

Supporting private for-profit affordable housing is not a sustainable solution. All that does is kick the can down the road. The thing that is needed most is, of course, money, but not in the form of a new program or support for a complementary program. Only a stand-alone program will work, one that can deliver projects to completion on a self-sustaining basis. We started with a single source of funding for carrying out projects, and now we have four or five. That has led to increased requirements, more work and longer construction times.

Yes, it's important to build housing units quickly, but it's also important to do things right. In the best-case scenario, a construction project takes three years from start to finish. In some cases, the time frame can be four or five years, and for projects that lack funding, it can stretch beyond six years. Setting unrealistic deadlines not only affects the manner in which the project addresses the need and the quality of the project, but also puts pressure on developers and the vulnerable populations the project is meant to help.

The needs are extensive. Within our network, a total of 10,191 housing units had yet to be built or were in development as of December 31, 2021, mainly because of insufficient funding. That is for Quebec alone. This year, some 10,000 housing units are in development across our network, without any funding. The key to success hinges on one thing. To achieve its objectives, the federal government must take into account the specific needs of regions. That means a one-size-fits-all approach will not work in all regions of the country.

Regions each have their own needs and realities, so the approach has to be adapted accordingly. Quebec has a strong housing ecosystem where stakeholders and complementary organizations work together in a coordinated way. The manner in which the national housing co-investment fund has been administered in Quebec, in recent years, has met with a great deal of support. The alignment between the co-investment, the rapid housing initiative and the priorities of the Quebec government has helped unblock many AccèsLogis projects that did not have adequate funding from Quebec. Those projects have been able to go forward.

The ability to apply federal funding to existing programs has proven effective. However, the process of negotiating the terms for use of the funding must not drag on for years. Some elements still need to be aligned, but agreements are being reached more quickly because the objectives and target populations line up.

One of the factors that has helped projects move along more quickly—besides money—is support for, and the creation of, project development groups like TRGs. Thanks to them, any community group, not-for-profit organization or housing co-operative can access the assistance it needs. Many regions of the country used to have TRGs, but very few TRGs remain.

In Quebec, the entire jurisdiction is served by one TRG in our association. Social economy enterprises that represent their communities treat housing like a place to live, not a commodity. By supporting this type of network and helping it take root across Canada, the government can meet housing needs more effectively and ensure that projects are tailored to communities.

I should note that, throughout Quebec's housing history, the best programs and initiatives have been based on co-investment in construction. Local organizations and the Société d'habitation du Québec, the SHQ, have worked hand in hand to come up with effective, realistic and achievable programs.

• (1655)

Similar partnership with the CMHC could also help to fast-track projects.

Thank you.

[English]

The Chair: Thank you, Monsieur Cimon.

Now we'll go to Mr. Morrison for five minutes or less.

Mr. Jeff Morrison (Executive Director, Canadian Housing and Renewal Association): Thank you, Mr. Chair, and thanks to the committee for the invitation.

For those unfamiliar with the Canadian Housing and Renewal Association, we are the national voice for the social, non-profit and affordable housing sector in Canada. Our members include social supportive housing providers, municipal housing organizations and 12 of 13 provincial and territorial housing departments.

[Translation]

The committee's study is based on two programs that we believe are important components of the national housing strategy. Briefly, I'd like to say a few words about how the two programs could be set up and improved to boost the affordable housing supply.

[English]

For starters, the \$4-billion accelerator fund was introduced in budget 2022 with a promise to fund changes to the municipal systems and policies that are preventing more housing from being built. In January 2022, in anticipation of this announcement, CHRA held a consultation session with our members to get their input on the most effective uses for this fund. We captured these ideas in a letter to Minister Hussen, which was sent in February. We've provided a copy of that letter to the clerk.

I'll highlight just a few of the recommendations contained in that letter.

First, a lack of human resource capacity within municipal planning and approval departments is one of the biggest local barriers to housing development. Housing providers told us that applications often take so long to get approved simply because there aren't enough trained people to evaluate them. We'd recommend that one of the uses of the fund be to increase the number of staff in municipal approvals and planning departments and actually fund training and accreditation programs for them.

Second, we know that Nimbyism can be a huge hurdle in developing new housing, particularly community and social housing. Some municipalities have taken steps to combat Nimbyism by putting in place anti-NIMBY campaigns or by providing more information to local communities on the impacts of social housing or reforming public consultation processes, such as what they've done in Victoria, B.C. These efforts take resources. We would recommend that initiatives designed to address Nimbyism also be eligible under the fund.

Third, one of the most onerous aspects of affordable housing development is the misalignment between housing programs and policies between different orders of government. Oftentimes, commu-

nity housing providers are forced to navigate between multiple programs at different levels of government, each with their own application criteria, timelines, funding levels and so forth. It's a situation that one of my members actually said was like trying to organize the world's worst Tinder date.

The accelerator fund could be used to provide the human and technological resources to allow orders of government to create one-stop shop approaches, where program criteria and application processes are aligned. Models such as this actually exist, for example, between the City of Calgary and CMHC. Again, these approaches require resources to implement. By including such an activity as eligible under the fund, the accelerator fund could accelerate more aligned, streamlined processes to be put in place.

• (1700)

[Translation]

The last thing I want to say about the housing accelerator fund is this.

We recommend that, under the fund, priority be given to projects aimed at fast-tracking and streamlining the construction of community and affordable housing units. Since non-market housing providers tend to have to rely on more complex municipal partnerships as compared with market housing providers and given Parliament's stated objective of prioritizing housing for vulnerable segments of the population, as set out in the 2019 right-to-housing legislation, all proposals to fast-track the construction of community housing units should be given precedence.

[English]

The other program you are examining is the federal lands initiative. In the lead-up to the 2017 national housing strategy, we had identified this program as holding great potential for incentivizing affordable housing development for the very simple reason that all housing projects start with land. Following the announcement in the 2017 national strategy that the program would be expanded to \$200 million over 10 years, CHRA has provided additional recommendations in terms of how this program could be strengthened.

Notably, we have argued that the federal lands initiative could be dramatically improved if its mandate were to be expanded to include acquisition of provincial, territorial, municipal and even private sector lands, which could be subsequently transferred to affordable housing providers or land trusts, just like federal lands currently are.

In other words, the federal lands initiative could be styled almost as a mirror to the rapid housing initiative, which allows for the acquisition of existing properties, only in this case it would be for land. Given that a great deal of surplus federal lands are not conducive to building affordable housing—for example, they may not be located near mass transit—expanding the mandate of the federal lands initiative is a logical means to making the program more meaningful.

Mr. Chair, in conclusion, these two programs are not silver bullets. They won't solve the housing crisis, but they are welcome tools in that they are proverbial tools in the proverbial tool kit.

Thank you very much.

The Chair: Thank you, Mr. Morrison.

Mr. Bourque, you have five minutes.

Mr. Michael Bourque (Chief Executive Officer, Canadian Real Estate Association): Thank you, Mr. Chair.

On behalf of the Canadian Real Estate Association's some 150,000 members, I want to thank the committee for the opportunity to provide our thoughts on the government's housing accelerator fund. I'm delighted to be here with Jeff and Mr. Cimon, because I think it's vital to hear from advocates from across the housing spectrum.

Housing is a long-term asset that provides a safe, sustainable and quality environment for families. Beyond the physical importance of housing and shelter, it is equally important to recognize the social, psychological and cultural value of housing. Significant research exists today as evidence that secure housing positively impacts a person's social and mental well-being, resulting in broader benefits to society.

With our over 70 years in the housing market, we have seen firsthand that stable and affordable housing has a positive impact on families and communities. However, as we are all aware, Canada is currently experiencing a housing crisis due to a lack of adequate housing across the housing spectrum. Given our role in the housing industry, we believe our members are in a position to help advocate for families and communities to find housing solutions and, ultimately, fulfill the dream of home ownership.

Our organization is encouraged by the government's response to the housing crisis by creating the housing accelerator fund. It will provide cities with tools to speed up housing construction, which is needed. CREA would like to see the housing accelerator fund being used in part to promote innovative residential construction, to encourage infrastructure bilateral agreements and to provide incentives for local communities to boost supply.

First, we recommend that the federal government prioritize research that would lead to a better understanding of the precise nature of the supply problem in Canada. There is no one housing market in Canada, and the issues facing people in remote areas are very different from the ones in the greater Toronto area. We have significant data and expertise that we are willing to share as part of an effort to identify housing needs across Canada, but we cannot do this alone. We need to understand the problem in greater detail before

we can be successful in introducing solutions and allocating capital and other resources.

Data can help identify relevant neighbourhoods and types of housing needed to introduce housing options that are compatible in scale with single-family homes, which we often refer to as the “missing middle”. Data can also help identify skills and labour gaps, so that appropriate strategies can be deployed to address them.

Second, we recommend that innovative development be used as a criterion for support from the housing accelerator fund. By innovative development, we mean innovation in construction methods and materials that allow homes to be produced more quickly and cost effectively, and with greater resiliency and energy efficiency that will contribute to Canada's climate goals.

We need innovation in the way the workforce and businesses involved in home building are organized to make the industry more efficient. There should be greater use of manufactured homes that are factory-built using advanced technologies and materials, computer-assisted design and robotics. These are needed if we hope to reduce the time to market, enhance quality and increase productivity. The federal government can play a role in fostering this innovation and, ultimately, producing an exportable suite of products.

Finally, cities and municipalities must be incentivized to address Nimbyism, to streamline planning and approval processes and to reduce fees and charges that are impediments to increasing housing supply. That's why this fund is so important. I agree entirely with Jeff and I think they have some great ideas.

I also believe we need to radically alter exclusionary zoning. Restrictive zoning drives all of the other barriers to renovation and new building. We need to allow for “missing middle” housing in areas traditionally zoned for single-family housing, especially in high-demand urban neighbourhoods. This is urgent.

When the federal government invests in the infrastructure needed to build housing units, including telecommunications, roads, sewers and water, it enables new housing but also paves the way for enhanced business productivity more broadly.

It seems well understood that a lack of housing supply is the problem facing policy-makers. The role of innovation, I believe, is less understood, but it offers the opportunity to significantly improve the way we deploy scarce resources to address our housing needs.

• (1705)

Once again, thank you for the opportunity to be here. I look forward to your questions.

The Chair: Thank you, Mr. Bourque.

We're going to have one round of five minutes each, beginning with Mr. Dalton.

You have the floor.

[*Translation*]

Mr. Marc Dalton (Pitt Meadows—Maple Ridge, CPC): Thank you to the witnesses for their very informative remarks.

[*English*]

I'm from the Vancouver area, and one of the challenges there is that we have a lot of old-stock rental apartments. Actually, very little has been built since the 1970s. They are purpose-built rentals. In the private sector it seems as though there has been a real tension among those who have invested, who have made the buildings, with rent controls, so they're not willing to do maintenance or improvements. Very little stock has been built since then.

I know there is that tension between those who build it for the private sector and also affordable housing. How do we navigate this tension between providing the affordable housing and at the same time having incentives for the private sector to be involved and to actually invest?

It's easy to say, "The government can do this. The government can do that," but we want to get the private sector involved and individuals involved in investing, so how can we do that as far as some of the rent controls go and at the same time really incentivize individuals to make affordable housing?

Do you have any ideas? Nobody is jumping in.

• (1710)

Mr. Jeff Morrison: I think it's a question of doing both and then some and all of the above. The fact is that, as Michael alluded to, housing is in a state of crisis across the spectrum, from homelessness right through to affordability in the market space. It's not a matter of choosing either-or, of choosing market or non-market. It's really a function of all of the above.

We hope the accelerator fund that you're studying will help improve some of those processes designed to get the construction started. As I mentioned in my remarks, we hope it prioritizes the affordable sector because that does have more complex needs than perhaps market housing does. At the end of the day, it really has to be an all-of-the-above situation because the crisis we're in simply requires all hands on deck. Making choices is difficult. It really has to be an all-of-the-above mechanism.

Mr. Marc Dalton: Does anybody else want to step in?

Mr. Éric Cimon: Our association has a \$200-million operating fund and we are trying to acquire private sector housing to transform it into community housing. We take it out of the market. We take it out of speculation and we make sure that it will be in good condition and make sure that the rent won't be high, because the people who live there will decide and will put the money in to make sure their apartments are okay and will have funding and have an association to help them manage that housing.

One of the big solutions is to take out that housing that needs love, that has been abandoned or mistreated and to renovate it, make it into social housing or community housing, and make sure that it's not in the market and to lower the pressure for the people in the market. Those funds are made with union funds. They are made with foundations. They are made with CMHC, with the SHQ.

We're getting more people from the private sector to fund those acquisitions and to make sure that we have different interventions on the way to get nice, good, durable housing at lower costs.

[*Translation*]

Mr. Marc Dalton: Thank you.

[*English*]

I'll go on to the next question.

This might be more for the Canadian Real Estate Association.

I'm wondering what the percentage is of Canadians who own versus rent. Of those who own, what percentage have mortgages as opposed to owning outright?

Piggybacking on that would be the challenges with the current government programs to help first-time buyers to get into the market.

The Chair: Please make it a short answer. You have 10 seconds.

Mr. Michael Bourque: The percentage of people who own in this country is somewhere in the high 60%, but I think that number doesn't really tell the whole story. One the reasons we've had such a hot market lately... I kind of want to discount the two years of COVID, because that was a bit of an anomaly. Don't forget that there was a very active real estate market before then.

The reason for the hot market is that there is a significant amount of new demand, and that new demand—

The Chair: Mr. Bourque, could you provide the answer in writing to the committee? We're running out of time. It is a valid question, so if you could provide a written answer to Mr. Dalton, that would be good.

Mr. Michael Bourque: Sure.

The Chair: We will now go to Mr. Van Bynen for five minutes.

• (1715)

Mr. Tony Van Bynen (Newmarket—Aurora, Lib.): Thank you, Mr. Chair. I've agreed to share my time with Mr. Morrice, so I would ask that you interrupt me at two and a half minutes.

I have two questions, and I would ask the respondents to be very brief.

First, Mr. Bourque, you talked about the "missing middle". Just briefly, what type of housing stock is that? Is it semis, rentals...?

Mr. Michael Bourque: It's fourplexes, fiveplexes, sixplexes, duplexes—things that better use a footprint than a single-family home.

Mr. Tony Van Bynen: That's very perplexing. Thank you.

My next question is for you, Mr. Morrison. I like the idea about acquiring other properties. You were saying that this fund should deal with not just the federal lands, but that there should be a provision in this to acquire other properties, such as school properties, municipal properties, etc.

Are there any examples you could provide, Mr. Morrison, that have been effective?

Mr. Jeff Morrison: Not necessarily at the federal level, but perhaps, due to time, we can send some examples in writing of some similar provincial programs that do that sort of land transfer. We can send those examples to the clerk.

Mr. Tony Van Bynen: Your suggestion is that the funds from the accelerator be utilized to acquire land from other levels of government in order to advance the federal project. Is that the intent?

Mr. Jeff Morrison: No. I'm sorry. To clarify, I was referring to the federal lands initiative—in other words, to expand its mandate so that it could serve as the vehicle by which provincial, municipal and private sector lands could be acquired and then distributed to affordable providers. The FLI would be the mechanism.

We can provide some models of other programs doing similar things at a provincial level.

Mr. Tony Van Bynen: Mr. Chair, how many seconds do I have left?

The Chair: You have 30 seconds.

Mr. Tony Van Bynen: All right. I'll cede my time to Mr. Morrice.

The Chair: Go ahead, Mr. Morrice.

Mr. Mike Morrice (Kitchener Centre, GP): Thank you, Chair, and thank you, Mr. Van Bynen.

I have two questions for you, Mr. Morrison. First of all, thanks for your leadership and that of your members as well. In particular, thank you for your advocacy for the housing accelerator fund to have a greater emphasis on projects that prioritize non-profit housing.

My first question is on your recommendation with respect to pushing back on Nimbyism. I'm thinking about groups across the country. In my community, for example, Waterloo Region Yes in my Backyard is a grassroots organization that advocates for more accessible and affordable housing in Waterloo region. To what extent do you think it would be constructive to allocate funds for municipalities to then deliver through to community groups like this? Is that part of what you were suggesting? I'm wondering what your thoughts are on that.

Mr. Jeff Morrison: Absolutely, Mr. Chair. That is precisely the kind of flexibility but also the kind of focus that we would hope the accelerator fund could take with respect to Nimbyism.

On the whole YIMBY movement, the “yes in my backyard” movement, whether that be through non-profit groups, NGOs or

municipalities themselves, we would hope that there would be some flexibility that would allow those various projects and initiatives that are specifically designed to really move Nimbyism to Yimbyism to be funded. There's no question that Nimbyism is a huge barrier to getting projects delivered.

Mr. Mike Morrice: Fantastic. Thanks for your advocacy on that. It's certainly something I'll encourage the committee to consider in their recommendations for the housing accelerator fund.

Secondly, in my community, one of the big challenges is the supply of housing needed to meet our needs, specifically family-oriented two-, three- and four-bedroom units as opposed to simply one-bedroom options. I'm wondering if you have any recommendations for the committee in terms of how the housing accelerator fund can help address the need, particularly when it comes to building non-profit co-op housing, for example, and how critical it is to be providing the kind of supply we need. The supply for whom? For families.

Mr. Jeff Morrison: I think it's important to recognize that the accelerator fund in no way, shape or form is meant to be a silver bullet that will address the direct supply needs. It does not cover construction costs. It doesn't cover the renovation costs that were mentioned in the previous question. The accelerator fund really needs to work in tandem, and by the way, to be stackable, with other more direct supply measures such as the co-investment fund and the rental construction financing initiative that the minister referenced.

You had this conversation with the minister in the previous round. Those programs absolutely need to be improved in terms of how people can apply to them, their simplicity and the time frames in which approvals are granted. There needs to be a complementarity between the accelerator fund and the direct supply programs that are in place.

However, I think to look to the accelerator fund to meet those supply challenges in Waterloo and elsewhere, it's probably not the right place. It's meant to complement, but it certainly won't address the problem directly.

● (1720)

The Chair: Thank you.

[*Translation*]

Ms. Chabot, you may go ahead. You have five minutes.

Ms. Louise Chabot: Thank you, Mr. Chair.

I'd like to thank the witnesses for their invaluable insight.

The committee is tasked with studying this new fund, and with the help of people like you, the witnesses, we are examining the possibilities it opens up. The government is investing \$4 billion in the fund over five years. That's a lot of money. Like you, we are interested in where the needs truly lie and how the money should be spent to meet those needs.

My question is for Mr. Cimon.

Mr. Cimon, I first want to commend you on the work your association is doing in Quebec.

Earlier today, I asked the minister the same question I had previously asked the general manager of Bâtir son quartier, Ms. Cyr. When she appeared before the committee, she said that increasing the housing supply would not automatically result in a greater supply of affordable housing units, specifically affordable rental housing units. This program seems to focus on supply, but it strikes me that addressing demand would be a better idea.

I'd like to hear your take on that.

In my riding of Thérèse-De Blainville, the housing committee of the Table de concertation sur la pauvreté Thérèse-De Blainville just created 40 community housing units in Boisbriand. There were numerous roadblocks along the way, but the effort proved very rewarding.

One of those roadblocks was the “not in my backyard” mentality. Nevertheless, the project was successful. I don't only mean in terms of price and affordable housing. I'm also talking about the fact that the people who live there are empowered going forward. It's a great model.

Should the government invest in community housing and these types of models on a broader scale?

Mr. Éric Cimon: Thank you for the question.

When it comes to housing construction projects, what matters is ensuring that the focus is on the community. Governments and programs have to take into account the real needs of the people in the community. The government cannot simply issue a call for proposals and direct its investments accordingly, while it leaves everything up to the market or whatever initiative it may be.

Quebec's AccèsLogis program is based on three-way participation: the Quebec government, municipalities and the given group all contribute. It relies on co-funding from not-for-profit organizations and housing co-operatives, but in the private sector. We don't provide all the funding for housing construction projects. We fund community housing projects that meet the needs out there.

It's hard to get housing groups to recognize that our ecosystem, which leverages the involvement of co-operatives and not-for-profit organizations, provides a beneficial way of doing things. It's also hard to extend that model to the entire country. We don't have the dedicated resources or programming that would allow for community engagement, in conjunction with developers.

As mentioned, when a region needs social housing, we usually conduct a needs assessment together with the municipality. Then, we design a project and apply for government funding so programs can move forward. The Quebec government's share of the funding should be 50%, and the municipalities', 15%. That way, if the federal government were to get on board with this approach and contribute a share, we would be able to do more and do it better.

Having a network of developers is also important. As you've come to understand, getting housing projects built is a complicated affair, so it requires people who have the needs and interests of others at heart, not people who are willing to build housing just so they

can make a profit. It's really important to take the commodity dimension out of housing construction in order to meet people's needs. That is the model we have successfully implemented in Quebec for more than 40 years, and I repeat, it's working.

Ms. Louise Chabot: It's a model that could be applied to a number of programs.

Mr. Cimon, I have one last question for you.

We talked about the surplus of federal real property and its untapped potential for housing development.

Where do you stand on that?

Many people believe that those buildings could be used precisely for community housing.

• (1725)

Mr. Éric Cimon: It could certainly be useful, but it's not a cure-all.

You may not know this, but we had to create the Fonds d'acquisition de Montréal—an acquisition, or investment, fund—in conjunction with Ms. Cyr's organization, Bâtir son quartier.

We had to create the Fonds d'acquisition québécois so that we had the funding to take advantage of market opportunities and purchase properties while we were waiting for program funding to come in.

Through the program, the government could make land available to us, and the wonderful thing is that municipalities in Quebec have the right of first refusal. In other words, they can come forward if they see a strategic use for a particular piece of land that can meet certain needs. They can buy the land if it's put up for sale. Municipalities would be acting in a coordinated way, based on community needs and development.

Community housing construction is an important economic lever.

Ms. Louise Chabot: It's a social lever as well.

Thank you.

The Chair: Thank you, Ms. Chabot.

[English]

We'll go to Madam Zarrillo for the last five.

Ms. Bonita Zarrillo: Thank you, Mr. Chair.

I'm going to start with Monsieur Cimon.

We were talking about getting affordable housing built faster. That's what I'd like the accelerator fund to be for. You mentioned that there are 10,000 not-completed units because there's no funding, no money nor partnership with CMHC. I wonder if you could expand a little bit more on how this government could help to get those 10,000 units completed with some funding.

What does the partnership with CMHC need to look like to get the housing to the communities faster?

Mr. Éric Cimon: A good example is with the RHI money that's been spent in Quebec. The agreement was that we had a lot of projects that were responding exactly to the needs that the program wanted, so we took the money. The Quebec government didn't index the amount of money to realize the project, so they were all underfunded. The money from the federal government made the difference to make sure that those projects were viable.

It didn't take time to do it because they were already there on the table. On the first wave, most of them were just waiting for the money to go on and be built.

For the second one, a couple of projects were totally out of the program because some motel, hotel or different kinds of buildings could be transferred within a year, but it's really tough. We need to make sure that we don't have that anymore. For people or groups that are building, the pressure to spend the money within a year, making sure that the city's in and making sure that all the regulations are passed—it's almost impossible. We can do it, but everybody's burned at the end, even the group that we're supposed to help.

That's what we have to do. We have to make sure that this money goes to fund the project, not to make a couple of programs that all go together. We want one program that will make sure that, from beginning to end, we will build those houses to help the needs of the community.

Ms. Bonita Zarrillo: Thank you very much. I'm going to Mr. Morrison next.

Following on that ability for a project to go from front to back quickly, I do think that politicians have a role to play here around the lack of courage among politicians. I think about “Simbyism”, or “strategy in my backyard”. The committee groups don't have the gavel. These politicians have the gavel. They have the ability to fast-track and make these decisions.

I'm going to pivot to indigenous housing on that, Mr. Morrison. I know your organization does a lot of work on indigenous housing. We know that indigenous community groups are ready to build housing. They have strategies to build housing. They're ready to go. They, too, can't get the funding and infrastructure is not available to them.

If you wouldn't mind, could you share how this accelerator fund could actually help get some accelerated housing or even infrastructure available for indigenous communities for housing?

Mr. Jeff Morrison: Ms. Zarrillo, as I think you know, our association has an urban indigenous housing caucus made up of urban indigenous housing providers. We were so disappointed in the 2022 budget. The urban, rural and northern indigenous strategy that was part of the past two mandate letters was not fully funded.

We have done study after study. You have done a study, as a committee. There is no more need for engagement. There is no more need for study. We are ready to go with an urban, rural and northern indigenous strategy that is properly funded. The \$300 million over five years to codevelop the study, contained in the 2022

budget.... We're all still scratching our heads, trying to figure out why we need five years to codevelop a strategy that, frankly, has been studied to death.

We hope a funding announcement for such a strategy will be forthcoming very shortly. We're continuing to have discussions with various officials, but there are, frankly, no more barriers to getting that strategy in place. We are completely ready to go. If the accelerator fund can help with that strategy, fantastic, but there is nothing preventing us from getting and moving on an urban indigenous strategy, other than the announcing of it by the federal government.

● (1730)

Ms. Bonita Zarrillo: Thank you, Mr. Morrison.

The Chair: Thank you, Madam Zarrillo. Your time has expired.

I would like to thank the witnesses for attending today and answering questions from the committee members.

Committee members, before we adjourn....

Go ahead, Madame Martinez Ferrada.

[*Translation*]

Ms. Soraya Martinez Ferrada (Hochelaga, Lib.): Thank you, Mr. Chair.

I have a request for the committee members.

We've heard what a number of witnesses have to say, but we haven't heard much about certain issues. I would therefore like us to hold an additional meeting to hear the perspectives of women and indigenous community members on the housing accelerator fund and the municipalities dimension.

I am asking for agreement from committee members to invite witnesses who could shed a different light on our study and tell us about their reality. I think that's important.

Ms. Louise Chabot: How long of a meeting are we talking?

Ms. Soraya Martinez Ferrada: I think an hour would do it.

Ms. Louise Chabot: All right.

[*English*]

The Chair: You had the discussion. That's what I was looking for. I need direction. You'll see on the calendar that next Thursday.... We were to conclude the witnesses on Monday, and then move to drafting instructions on the housing accelerator.

We have a request to schedule another one-hour meeting with witnesses. That would have to be provided quickly. Is there agreement from the committee?

Go ahead, Madame Chabot.

[*Translation*]

Ms. Louise Chabot: I am fine with that. The meeting could take place next week.

[*English*]

The Chair: Okay.

Madam Zarrillo, you have your hand up.

Ms. Bonita Zarrillo: Thank you, Mr. Chair.

I really appreciate that intervention by the member. I can remember that, on one of the witness days, it was almost the end of the testimony before we heard from even one woman.

I would like to ask whether the member would be open to also adding.... I'd like to hear from people with disabilities at this time, too. We know they've been negatively impacted by the loss of accessible housing. Perhaps we could add that to the day.

The Chair: Do we have...? I am sensing agreement, unanimous consent, that we schedule another one-hour session to hear from witnesses, as articulated by Madame Martinez Ferrada. We'll fit that in. That may influence the drafting of instructions. We'll discuss it further on Monday, when we have more time.

With that, I will adjourn the meeting. Thank you, members.

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