

**Written Brief: House of Commons Standing Committee on Human Resources, Skills
and Social Development and the Status of Persons with Disabilities (HUMA),
study on the design and rollout of the Government of Canada's
proposed Housing Accelerator Fund**

Blue Door Support Services

June 2022

Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities
Sixth Floor, 131 Queen Street
House of Commons
Ottawa, ON
K1A 0A6

To the Members of the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities,

First, I would like to thank you for inviting me to speak before you about the Housing Accelerator Fund, and the work Blue Door has done to support vulnerable Canadians. Blue Door and other organizations continue to put forward innovative solutions that add to the affordable housing supply, including the CMHC-funded Housing Journeys Reimagined Solutions Lab and York Region Community Land Trust Demonstrations Initiative. Support through programs like the Housing Accelerator Fund could bolster the efforts of non-profits with a focus on housing and homelessness. I would like to take this opportunity to expand on some of my comments and recommendations made before the Standing Committee.

When it comes to the Housing Accelerator Fund, we would like to see facilitated access to the program for non-profit housing providers and developers through CMHC. Non-profits experience some barriers to CMHC funding, especially when development projects involve mixed-income housing with Rent-Geared-to-Income and other deeply affordable housing units for some of Canada's hardest-hit equity-deserving communities. Addressing these concerns would enable the stock of affordable housing to expand and flourish, very much needed by an ever-expanding proportion of equity-deserving Canadians. One potential application of the Housing Accelerator Fund could be to enable non-profits to partner with federal agencies, like with the Federal Lands Initiative, more flexibly to provide affordable housing in previously under-used lands and structures.

On the behalf of Blue Door, thank you to the Committee for this opportunity to contribute to the study on the Housing Accelerator Fund, and for their consideration of the suggestions made herein.



Michael Braithwaite
CEO, Blue Door Support Services

Overview of recommendations made before the Standing Committee

The Housing Accelerator Fund will be an extremely valuable source of support to address the housing crisis unfolding in Canada. However, the right actions must be taken to ensure that the supply created through this initiative contributes to the stock of affordable housing, rather than becoming a fund that provides only additional above-median rentals and owned units – units that are outside the budget of many Canadians.

Blue Door CEO Michael Braithwaite made the following four recommendations in his statement before the Standing Committee at their twenty-fifth meeting:

1. invest in and encourage Community Land Trusts across the country;
2. provide funds to non-profits and charities with a focus on housing and homelessness to purchase existing rental housing and turn them into affordable housing units;
3. invest in trades-based employment social enterprises, such as Blue Door's Construct, to help build towards the goal of 100,000 homes by 2024-2025, and to prevent homelessness by providing a living wage and meaningful work to youth, new Canadians, and others; and
4. support municipalities in creating new zoning bylaws that can help to speed up the development of properties owned by faith communities.

These recommendations all propose solutions that will increase the stock of housing that will be affordable in the long term. This is necessary since an increasing number of Canadian households are spending disproportionate amounts of their incomes on housing, and solely increasing the housing supply will be unlikely to result in more affordable housing¹. Instead, we must invest in innovative solutions that will maintain the existing stock of affordable housing, create new affordable units, and ensure that these units remain affordable in the long term.

Two points that will be elaborated on in the sections below will shed light on how the implementation of the above recommendations and similar recommendations put forward by other experts can be done efficiently and effectively. First, we suggest how the Housing Accelerator Fund can be best supported by the Canada Mortgage and Housing Corporation (CMHC). Second, we suggest that federal lands can be put to use towards affordable housing, such as how Blue Door has done in partnership with Parks Canada.

CMHC and the Housing Accelerator Fund

CMHC has implemented several creative methods of addressing housing-related issues in the past few years, especially given the COVID-19 pandemic. Some key methods that have been helpful for the non-profit sector include its Solutions Labs and Demonstrations Initiative, and programs such as the Rapid Housing Initiative (RHI). In particular, the RHI is an excellent example of how the CMHC has worked with non-profits to address housing needs and homelessness because it was quick to provide approvals and provided sufficient funding to help non-profits secure housing for their clients.

¹ Pomeroy, S. (2022). *Observations and suggestions for the proposed Housing Accelerator Fund*. Retrieved from [CMHC Accelerator Fund \(chec-cchl.ca\)](https://www.cmhc-cchl.ca)

Through the Housing Accelerator Fund, we would like to see funds made available to non-profits and charities so that they can get a hold of rental properties on that market, preventing further deterioration of the affordable housing stock in Canada. For this suggestion to be implemented well, CMHC will need to facilitate access to it by improving its speed of processing and by providing larger forgivable loans to non-profits.

While CMHC staff are willing, program offerings could go further to enable bold and quick affordable housing action. Current programs under CMHC restrict the ability of non-profits to create mixed-income housing, slowing the provision of affordable housing in communities in need of it. For example, Blue Door and Habitat for Humanity GTA are looking to redevelop a piece of land in Newmarket with a single home to provide several more units in a mixed-income rental and ownership model. Current plans are to support a 14-unit stacked townhouse, with many of the units allocated as rent-geared-to-income (RGI). However, existing CMHC programs make it difficult for non-profits to take on these projects and provide affordable housing for decades to come because the addition of RGI units increases the costs associated with the entire project. There is not sufficient support from CMHC to provide only units that are below market rent or RGI.

How federal lands can contribute to affordable housing

Alongside considering how affordable housing initiatives will be financed, the committee must also think about where new units could be built and what existing stock or infrastructure could be leveraged to provide affordable rentals and housing.

Federal Land Initiative (FLI) is a CMHC National Housing Strategy program that transfers federal lands at below-market cost to eligible proponents for the use of affordable housing. This program has a budget of \$200 million over ten years, from 2018 to 2028. Overall, the program is successful and is on track to contribute to its unit target. Meanwhile, there is a clear need for this program as identified by CMHC's own evaluation, citing barriers to affordability and problems with the supply of affordable rental housing². It would be ideal if the program is expanded, and other less formal partnerships between federal agencies and non-profit housing providers are encouraged through similar initiatives.

To further illustrate how federal/non-profit partnerships can be part of the solution, take Blue Door's project with Parks Canada. Parks Canada currently has 44 vacant home properties, which it does not have the funds to maintain. Blue Door negotiated a 25-year lease on one of these homes, and, with the labour provided by our employment social enterprise, Construct, we converted the property into a duplex to house two families. \$300,000 in financial support for the renovations was also provided through SSRF funding. Both units are now occupied with families receiving wraparound supports. Blue Door pays a nominal fee per year to use the space, and fundraising will support ongoing program operations and maintenance. These homes are debt-free, have no operational costs, and will remain affordable for at least 25 years. While this partnership with Parks Canada is not through the

² Canada Mortgage and Housing Corporation. (2021). *Evaluation of the Federal Lands Initiative*. Retrieved from <https://assets.cmhc-schl.gc.ca/sites/cmhc/about-cmhc/corporate-reporting/program-evaluation/2021/nhs-fli-evaluation-report-2021-en.pdf?rev=72a81080-acc6-4079-a527-3b059bf6b177>

FLI, facilitating similar projects that match housing need from the non-profit sector and housing opportunities from the government would also be a good way to maximize the impact of underutilized land.

There are other creative options that all levels of government can work to implement to leverage lands that contain existing structures. Single-storey or low-rise buildings, such as strip malls, could be expanded upwards to accommodate rental and owned units where housing previously did not exist. Further, this solution could offer units of varying sizes to account for the various needs of the community and different family structures and fits squarely with the proposed applications of the Housing Accelerator Fund.

Community Land Trusts ("CLTs"), which are non-profits with the mission of ensuring their portfolios of land, housing, and other property stay affordable in perpetuity, could also be an effective solution. Blue Door is currently undertaking a CMHC-funded project to establish York Region's first CLT, enabling community partners to contribute local land for use in affordable housing programs and similar housing services. Additional support from CMHC to build out the national network of CLTs and to improve the sustainability of existing CLTs would also be a significant contribution to affordable housing in Canada.

About Blue Door Support Services

Blue Door, founded in 1982, is the largest emergency housing provider in York Region. We provide life-saving support to the community's most vulnerable people. Our mission is to support people who are at risk of or experiencing homelessness to attain and retain affordable housing. Our vision is a Region where everyone has safe, affordable, and supportive housing.

To address the root causes of homelessness, Blue Door has developed a 3-year strategic plan (2020-2023) consisting of the following four priorities: 1) Housing and Homelessness Prevention; 2) Health; 3) Employment; 4) Organizational Capacity and Excellence. These priorities are reflected in the recommendations outlined in this document.

We thank the Committee for this opportunity to contribute to the study on the Housing Accelerator Fund. We are happy to answer any questions or provide any follow-up to this brief.