

# Recommendations to Ensure the Design of the Housing Accelerator Fund is Effective in Meeting Housing Need

Submitted by the National Right to Housing Network  
on behalf of the Feminist Housing Collective<sup>1\*</sup>

## Background

We welcome the federal government’s commitment to “grow the annual housing supply in the country’s largest cities every year, creating a target of 100,000 new middle-class homes” by 2026 through the \$4 billion Housing Accelerator Fund (HAF) confirmed in April’s [2022 Federal Budget](#).

We note that HAF is being administered by the CMHC under the rubric of the 2017 *National Housing Strategy*. This Strategy commits the federal government to work with other orders of government, using a human rights-based approach, to: (a) lift 530,000 households living in unaffordable, overcrowded, or inadequate homes out of housing need by 2028 (of approximately 1.7 million largely renter households identified as living in housing need) and (b) eliminate chronic homelessness by 2030.

[The National Housing Strategy Act](#) (NHTSA), adopted in 2019, further stipulates that the Government of Canada commits to implementing housing as a fundamental human right throughout its programs, policies, and budgetary decisions—including through its spending power for housing programs in other jurisdictions. The NHTSA mandates the federal government to use a maximum of its available resources to ensure adequate housing for all, of which affordability is a key component.

As the CMHC has recognized, households led by women and gender-diverse people—especially single mothers—[are the most likely](#) to be in core housing need. Indigenous, racialized, 2SLGBTQAI+, and new migrant households, as well as people with disabilities, also experience disproportionate rates of housing need and homelessness.

[Multiple evaluations](#) have shown that the federal government’s current housing programs will not adequately meet its targets of halving the net number of tenant households in need, or eliminating chronic homelessness. The average income for households in need is [\\$23,000](#), equating to a monthly maximum rent of \$575. And yet, the vast majority of loans and grants are now being provided to private sector developers without human rights due diligence and almost no Gender and Intersectional (GBA+) analysis of [outcomes](#). The result has been a proliferation of homes, the majority of which are unaffordable to average income earners, with a minority of short-term so-called “affordable homes” that fail to address housing need across the country.

**The Housing Accelerator Fund is an opportunity for the Government of Canada to reset. It can proactively put its commitment to the right to housing into action to address [growing rates of housing need](#) by working with municipalities to transform systems.** The new HAF program could become Canada’s flagship program in embracing the rights-based, GBA+ framework and achieving equitable and sustainable outcomes, in keeping with the federal government’s human rights obligations.

To this end, we offer the following high-level recommendations:

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## Recommendations

### **1. Design the Housing Accelerator Fund (HAF) using the NHTSA’s human rights framework and a GBA+ approach.**

The NHTSA states that the federal government’s housing policy recognizes housing as a fundamental human right, thus providing the framework and foundation for the Housing Accelerator Fund. A human rights-based framework to housing means:

- A. Embracing definitions of affordability as defined in international human rights law;
- B. Targeting those in greatest housing need;
- C. Using the maximum available resources;
- D. Developing processes to meaningfully engage those in housing need at all stages of the policy process, from design to execution; and
- E. Creating public monitoring and accountability mechanisms for the Fund.

In addition, the *National Housing Strategy* has committed to employing a GBA+ approach. Despite this, [recent research](#) has indicated that various NHTS programs have not embedded gender-equity targets or a robust GBA+ approach. Alongside the rights-based approach, a gender equity and substantive equality framework should be foundational to the HAF and embedded at all stages of the policy process.

### **2. Define “affordable housing” as homes costing no more than 30% of gross household income and ensure that these affordable units remain affordable in perpetuity.**

In international human rights law, affordability is defined as commensurate with income. “Affordable housing” rates should be set at a level such that housing costs do not compromise the enjoyment of other elements of adequate housing, such as: security of tenure, accessibility, infrastructure, habitability, location, and cultural adequacy. Further, “affordable housing” rates must not compromise other human rights, such as rights to health, food, clothing, water and sanitation, and the right to life.

In order to meet these standards, the HAF should adopt the [CMHC](#)’s definition of affordable housing, which is housing that costs no more than 30% of gross household income. In addition, this standard should adhere to CMHC’s definition of “core housing need,” which includes housing that is “overcrowded, in poor repair, or costs more than 30% or more of a household’s before-tax income to pay the median rent (including utility costs) of alternative local market housing that meets all three standards.” Affordable units created should remain affordable in perpetuity, with agreements lasting no less than 99 years.

### **3. Ensure the HAF defines “middle class” as moderate-income households and can be paired with other housing subsidies which enable low- and very low-income households to flow into these new homes.**

The Housing Accelerator Fund is a reworking of the [1975 Federal Housing Action Plan](#) (FHAP), whose objective was to stimulate the residential construction industry to ensure an adequate supply of housing to meet the needs of low- and moderate-income families. Current research indicates that

the majority of households in need have very low incomes (less than 20% Area Median Household Income - AMHI), low incomes (21-50% AMHI) or moderate incomes (51-80% AMHI).<sup>2</sup>

As CMHC has recognized, larger households led by women and gender-diverse people, and especially single mother-led families, [are most likely](#) to be in housing need. This is particularly true for those who are Indigenous, racialized, 2SLGBTQIA+, newcomers, and persons with disabilities. It is for this reason that the National Housing Strategy [committed](#) to allocating 33% of funding investments towards diverse households led by women.

In order to align with the NHSA and a GBA+ approach, the HAF should prioritize scaling up moderate-income homes at target rents of \$1,000-1,800 per month (depending on the size of the home), and target Canada Housing Benefits to subsidize these new homes for very low- and low-income groups, monitoring outcomes for NHS targets as well as sub-targets for women and gender-diverse persons.

#### **4. ‘Stack’ NHS programs and set clear targets for non-profit housing development within the HAF to progressively realize the right to housing.**

To progressively realize the right to housing, in keeping with the NHSA, governments must use the maximum available resources. This means “stacking” programs like the Rapid Housing Initiative, National Housing Co-Investment Fund, and a reformed Rental Construction Finance Initiative to support and scale-up non-market, non-profit, and affordable housing—I.e., housing which is protected from the inflationary and speculative logics of the private housing market.

These efforts to scale-up non-profit and affordable housing should be attached to clear targets and resource allocation within the HAF to address the severe gap in housing stock for the hundreds of thousands of individuals and families living on moderate, low, and very low incomes, and who face increased housing precarity in today’s speculative market.

Lifting inadequately housed individuals and households is the goal of the NHS. [Considerable research in Canada](#) and [internationally](#) have shown that there are five ways to cut housing costs by 50%:

- i. Non-profit development;<sup>3</sup>
- ii. Free lease of government land, including “building above” train stations, libraries, health care centres, fire halls, post offices, etc.;<sup>4</sup>
- iii. As of right approvals of non-profit and affordable development, including rezoning to adequate densities, eliminating parking requirements, and rethinking onerous ‘set back’ and other extraneous design requirements (while maintaining commitments to universal accessibility and zero net energy building);<sup>5</sup>

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<sup>2</sup> For instance, the 2016 City of Ottawa census housing need data generated by the [Housing Assessment Resource Tools](#) project shows almost 7,000 moderate income households in need, the majority of whom require 2+ bedroom homes renting at no more than \$1,720 (Table 1). Note that the AMHI in the City of Ottawa, \$85,981, is considerably higher than the Canadian average of ~\$68,000.

<sup>3</sup> [Victoria](#) recently became the first city to fast track these proposals “as of right”, without the need of costly and time-consuming public consultations, with estimated savings of \$2 million off each project in terms of secured financing and avoiding NIMBY-related delays.

<sup>4</sup> As was successful in the 1970s, the federal government could fund municipalities that can identify a large pre-zoned well-located piece of government land that could meet ambitious social housing targets of at least 1-2,000 homes, such as St. Lawrence Neighbourhood in Toronto (4,000 homes, 2/3 non-profit) and False Creek South (2,500 homes, 2/3 non-profit). Large redevelopments on government land with ambitious non-profit housing targets already exist e.g. 2,500 in the former [Blue Bonnets racecourse site](#) in central west Montreal.

<sup>5</sup> [Edmonton](#) has developed rights- and equity-based zoning reforms, including removing minimum parking requirements and eliminating discriminatory approaches to multi-tenant housing like rooming houses and group homes.

- iv. Low-cost financing for non-market housing;
- v. Large-scale development, including the use of modular and wood frame technologies.<sup>6</sup>

**5. Ensure meaningful engagement with those in housing need, from design to implementation of the HAF.**

The right to meaningful and effective participation is a core element of the human rights framework and critical to dignity, the exercise of agency, autonomy, and self-determination. Those in need of housing should be treated as rights holders and as experts in what is required for a dignified life, not just as lucky recipients of a programme. They are entitled to participate actively, freely and meaningfully in the design and implementation of programmes and policies affecting them. This type of meaningful participation is most effective when organized at the local/community level.

**6. Implement regular monitoring and ensure accountability.**

Single mother-led households as well as new migrant/refugee, racialized, Indigenous, and 2SLGBTQI+ households are most likely to be in housing need. As a condition of funding through the HAF, the federal government should require annual reports that include: (a) net change in housing stock at price points affordable to very low-, low-, and moderate-income households, and (b) sub-targets and outcomes related to not only the [priority](#) groups identified in the NHS, but also those excluded from the NHS priority populations, including households led by women, gender-diverse people, and single-mothers.

The federal government should also require that all proposals for HAF funding include a human rights due diligence/impact assessments demonstrating: (a) that no harms to human rights will be caused by the proposal, and (b) how the proposal will progressively realize the right to adequate housing as understood in the NHSA and international human rights law. To give one concrete example, redevelopment must be accompanied by rental protections of existing low-income tenants (e.g. 1:1 replacement of lost homes, as is the case in [Burnaby](#), BC). Private actors receiving support and resources through HAF should also commit to receiving right to housing training. These funding proposals should then be assessed—from proposal design to outcome—using human rights criteria. Outcomes should be measured against international human rights metrics such as those outlined by [OHCHR Fact Sheet 21 on the Right to Adequate Housing](#).

Monitoring and accountability processes for individual applicants as well as the HAF program as a whole should be transparent, accessible, and informed by international human rights standards in order to ensure their relevance in progressively realizing the right to housing. External evaluation, with opportunities for receiving and integrating feedback from impacted communities, should be considered part of a transparent and participatory review process.

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<sup>6</sup> In Vancouver, for instance, wood-framed non-profit construction on leased government land can provide a new two bedroom home at \$1,765, which is at the high end of moderate income household affordability, without further subsidy. Of the factors examined in the Vancouver research, non-profit development brought the highest cost savings.