Submission to the Government of Canada regarding Budget 2025

Submitted by: Shauna MacKinnon on behalf of the Social Housing & Human Rights Coalition

Visit our website for a list of Supporting Members that have endorsed the Social Housing & Human Rights call to action.

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List of Recommendations

Social Housing & Human Rights - Call to Action

1. Create a minimum of 50,000 net new rent-geared-to-income social housing units each year for 10 years, starting now. These units should be targeted for those experiencing core housing need and homelessness and have rents permanently set at no more than 30% of household income or social assistance housing allowances.

2. Invest in the acquisition, construction, operation, and maintenance of new and existing public, non-profit, and cooperative-owned housing that meets the unique and varied requirements of people experiencing core housing need and homelessness.

This should be achieved in part by:

I. Redirecting federal housing investments for market housing toward non-market social housing with rents set at less than 30% of household income. The Rapid Housing Initiative is an example of a program that investments can be redirected to.

II. Targeting the Rental Protection Fund exclusively to non-market housing providers to produce housing with rents set at less than 30% of household income.

III. Setting aside public land and buildings for non-market housing providers to produce housing with rents set at less than 30% of household income.

IV. Partnering with other levels of government so that all social housing programs include ongoing operating subsidies that ensure rents are permanently set at less than 30% of household income and targeted for low-income renters.

The Social Housing & Human Rights (SHHR) coalition is a group of organizations and individuals concerned about the lack of deeply affordable rental housing for low-income individuals and families. In November 2023, the SHHR campaign officially launched focusing on the expansion of social housing - that is public, non-profit, and co-op owned housing for low-income renters where rents are set at less than 30% of household income, or social assistance housing allowances, in perpetuity.

In April 2023, over 100 researchers and advocates from across Canada attended the SHHR conference in Winnipeg. Our synthesis of the vast research on housing precarity found consensus that the ongoing decades-long approach of relying on the private sector to solve all housing issues has not worked. Conference participants identified many strategies that must be implemented simultaneously to address housing needs, including rental assistance, rent regulations, and wrap-around supports.

There was overwhelming agreement on the need to prioritize government action to expand and maintain the social housing supply, and recognition that this was one critical strategy for which there was no focused national campaign. Conference participants collaborated on the development of a call to action that would be used to mobilize advocates across Canada to call on the federal government to invest in social housing as an essential component of its response to the growing housing crisis.

Since launching the SHHR campaign, support for this call to action is growing from coast to coast to coast. Experts, advocates, and people with lived experience around housing insecurity and homelessness from across the country agree that the federal government, in collaboration with governments across the country, must prioritize the expansion and maintenance of social housing.

Defining social housing in relation to affordable housing

The SHHR campaign defines social housing as housing that exists outside of the market. It cannot be used for speculation or to generate wealth. It can be owned by public, non-profit or co-op housing providers. It cannot be owned by private housing providers. Agreements between governments and housing providers limit how the property can be used, and provide subsidies tied to the unit to ensure rents are geared to household income or set at social assistance housing allowances for those who are eligible. Social housing is targeted at low-income renters and people experiencing homelessness.

The Canada Mortgage and Housing Corporation (CMHC) considers housing to be affordable if it costs less than 30% of a household's total income before taxes. In most provinces and territories, social housing rents are set at less than 30% of household income or at social assistance housing allowances. In Quebec, the threshold is less than 25% of household income and this must be maintained.

Social housing is different from affordable housing which varies in definition across governments and housing programs. These definitions don't often align with CMHC's definition and produce rents that are typically more affordable than market housing but still too high to be affordable to the lowest-income households. For example, the national Affordable Housing Fund sets affordability criteria to ensure units rent at 70% of median market rent for a minimum of 20 years. In Winnipeg, this is approximately $880. However, Winnipeg's lowest-income households can only afford monthly rents of $510-$820.[1] The Apartment Construction Loan Program (ACLP) sets affordability criteria to ensure units rent at less than 30% of the median total income of *all families* for the area for a minimum of 10 years. This measure is deeply flawed because the median income of Canadian homeowners is almost twice that of renters. Using the total income of all families as a measure of affordability can result in rents higher than average market rents. For example, Globe and Mail reporters learned that a Winnipeg building, which received an $86 million loan through the ACLP, reports an average affordable monthly rent at $2,018 - almost $600 higher than the average market rent for a comparable unit in Winnipeg.[2]

Expanding the social housing supply requires capital investments so new housing can be built and existing properties can be acquired/repurposed. New and existing social housing also requires ongoing subsidies to support the costs of operating while charging rents geared to income. Operating costs may include community-led, culturally appropriate services for tenants. Finally, social housing requires ongoing capital investments to maintain its quality. Canada is losing social housing units because of expiring operating agreements and inadequate investments in the maintenance of existing properties, among other factors. The existing supply must be maintained to ensure that new units lead to an increase in the overall stock of social housing. The federal government must work with other levels of government to develop social housing programs that cover all these costs. Capital programs will not produce social housing if they fail to include ongoing operating subsidies.

Federal investments in Social Housing

Canada has a strong history in building and sustaining social housing. The most significant and comprehensive investments were made between 1950 and 1985. Since then, the federal government has invested very little in social housing, focusing instead on market and affordable housing programs for middle and high-income households.

The 2017 National Housing Strategy (NHS) represented a historic federal investment in housing that was intended to address needs across the affordability spectrum. However, the NHS was designed to produce very little social housing and has therefore produced few units accessible to low-income households and people experiencing

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[1] Carter, T., Janzen, T., McCullough, S., Shirtliffe, R., & Sinclair, E. (2020). City of Winnipeg comprehensive housing needs assessment. Institute of Urban Studies, University of Winnipeg.

[2] Younglai, R., Anderssen, E., Wang,C. Ottawa is funding affordable rental projects that aren't affordable. Globe and Mail, April 12, 2024.

homelessness.[3] For example, the Rapid Housing Initiative (RHI) is the only NHS program designed to produce social housing. It is the only program that targets non-market housing providers exclusively and that sets affordability criteria based on the household's income. The most recent NHS progress report shows that only 10% of funding allocated through the Strategy's four largest programs has gone through the RHI, which has produced only 4% of the 226,086 units created. Canada must dedicate more funding to programs like the RHI that require funds to be used by non-market housing providers to produce units for low-income renters with rents set at less than 30% of household income. It must also partner with other levels of government to ensure capital programs like the RHI also include the operating subsidies needed to sustain social housing. Additionally, greater priority must be given to developing community-led, culturally appropriate housing for Indigenous people and other groups over-represented among those experiencing housing insecurity and homelessness.

Other affordable housing programs under the NHS, like the Affordable Housing Fund (AHF), target for profit and non-profit housing providers, and set affordability criteria based on market rents or median incomes, rather than household income. The AHF is the second largest NHS program. A 2022 report found that approximately 50% of units it has created are unaffordable to middle-income households, and approximately 65% are unaffordable to low-income households.[4]

The Apartment Construction Loan Program is the largest NHS program. The bulk of its funding supports for-profit housing providers. Research has shown that this program has had a very limited impact on people experiencing core housing need and homelessness. In fact, one report found only 3% of homes financed through this program met the needs of low-income households.[5]

Unfortunately, Canada's current housing investments continue to overwhelmingly support market strategies that fail to address the human right to housing. Canada's NHS will not achieve its goals to end chronic homelessness by 2030 and remove 530,000 families from core housing need without investing in social housing.

Moving Forward with Budget 2025

Since the early 1990s there has been a severe lack of federal investment in social housing - that is public, non-profit, and co-op owned housing for low-income renters where rents are set at less than 30% of household income, or social assistance housing allowances, in perpetuity. This has resulted in the growing housing affordability crisis experienced by low-income renters and people experiencing homelessness across Canada. Housing minister, Sean Fraser, has publicly recognized that the federal

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[3] "Analysis of Affordable Housing Supply Created by Unilateral National Housing Strategy Programs: Research Report," Prepared for the National Housing Council Working Group on Improving the National Housing Strategy (Blueprint ADE and Wellesley Institute, February 4, 2022).

[4] Ibid.

[5] Ibid. 1925

withdrawal of social housing funding has contributed to the current housing crisis. Experts, advocates, and people with lived experience around housing insecurity and homelessness agree that the federal government, in collaboration with governments across the country, must address this crisis by prioritizing the expansion and maintenance of social housing.

In May 2023, SHHR participants reached consensus on the call to action outlined in recommendations 1 and 2 provided on page one of this submission. The SHHR coalition call on the federal government to implement our recommendations in Budget 2025.

This includes the addition of a minimum of 50,000 social housing units annually for 10 years. The federal government has projected the need to expand overall supply by building 5.8 million homes over the next decade (580,000 per year). Since 33.5% of households are renters, 194,300 of this supply should be rental. Approximately one quarter of renters are in core housing need, so a minimum of 48,575 (rounded to 50,000) should be at rent-geared-to-income rates affordable to low-income renters. This more than triples the target in the NHS to build 160,000 affordable homes and redirects the NHS focus from modest affordability to deeply affordable at 30% of household income. This amount is relatively consistent with calls to double the number of social housing units to more closely align with the OECD average.

The expansion and preservation of social housing across Canada will require leadership and a significant funding commitment from the federal government. Although provincial and municipal governments are known to push for funding without strings attached, the SHHR coalition strongly recommends the federal government do the opposite to ensure the expansion of housing owned by public, non-profit, and co-op sectors with rents set at less than 30% of household income. Provincial, territorial, and municipal levels of government all have important roles to play in the expansion and preservation of social housing. They must be held accountable for every dollar they receive from the federal government to ensure that social housing is expanded from coast to coast to coast.