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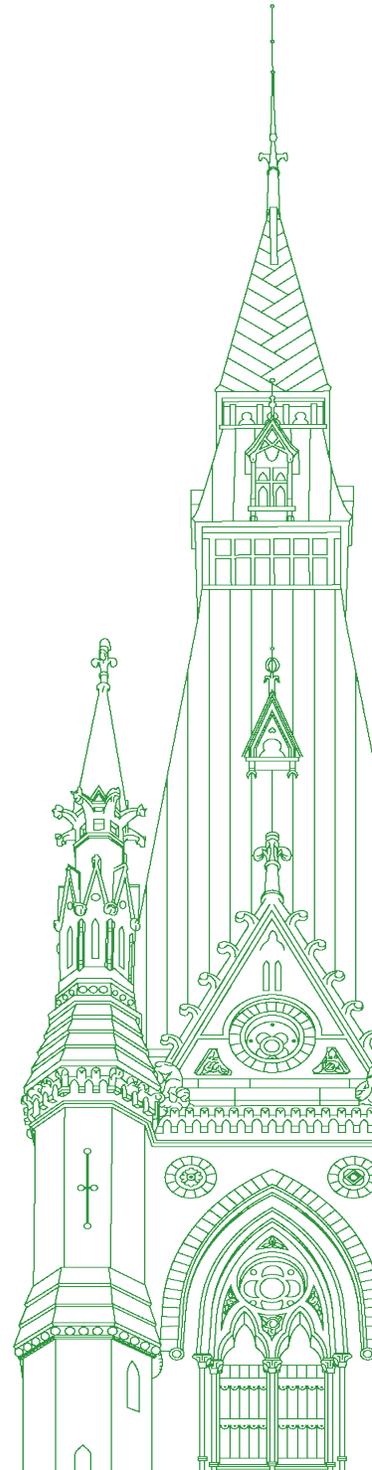
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Chair: Mr. Robert Morrissey

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• (1105)
[English]

The Chair (Mr. Robert Morrissey (Egmont, Lib.)): Good morning, committee members.

We will begin the 24th meeting of the House of Commons Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities.

Today's meeting is again taking place in a hybrid format. Witnesses and some members of the committee are appearing virtually.

I would ask those who are appearing virtually to speak slowly for the benefit of the interpreters who are providing interpretation services for this meeting. If at any time there is a disruption in interpretation, please notify me, and I will suspend while we get it clarified.

I also remind members attending in person to respect the health protocols that have been established by the House of Commons committee on proceedings.

I would also ask all members of the committee to address their comments through me, the chair, by using the “raise hand” icon if you are appearing virtually and want to get my attention. For those in the room, simply raise your hand.

We will begin today's meeting by hearing from three witnesses on the housing accelerator fund study that we began on Thursday, February 3.

To each witness appearing, you have five minutes to give your presentation, and I would ask you to stay within the five-minute period.

From Blue Door Support Services, we have Michael Braithwaite, chief executive officer. From Société d'habitation populaire de l'Est de Montréal, we have Jean-Pierre Racette, manager; and from the Neighbourhood Land Trust, we have Joshua Barndt, executive director.

I will begin by calling on Mr. Braithwaite for a five minute opening statement.

Mr. Michael Braithwaite (Chief Executive Officer, Blue Door Support Services): Thank you very much. It is a pleasure to be here to speak about this very important study.

My name is Michael Braithwaite, I am the CEO of Blue Door. Blue Door is an organization in York Region. The population of York Region is about 1.1 million people, and on any given night, about 1,500 people are experiencing homelessness.

Blue Door has been around for about 40 years, and for the first 35 years we were focused on reacting, in a sense, just with emergency housing or shelter. We are the largest emergency housing provider for men, families and youth in York Region.

Over the last five years, we've pivoted a little bit to not only providing emergency housing but of course also looking at short-term and long-term affordable housing with wraparound supports. We have a housing-first approach with rent geared to income, along with those wraparound supports.

We've created a lot of housing through innovative thinking, and as everyone here is aware, it's a tough time. We're in a bit of a housing crisis, especially for our most vulnerable. We've done that through innovative thinking and leveraging private donor funds to create sustainable, affordable rental housing for seniors, families and 2SLGBTQ+ youth.

We've repurposed vacant and broken down housing with Parks Canada. They have 44 vacant homes in Rouge National Urban Park. We took one of those homes. We used our construction social enterprise to rebuild it, and it is now a duplex that will have truly affordable rents for the next 30 years, so it has a purpose as well.

Blue Door has used funds from Reaching Home and private foundations to purchase a fourplex—

• (1110)
[Translation]

Ms. Louise Chabot (Thérèse-De Blainville, BQ): Mr. Chair, we aren't hearing the interpretation.

[English]

The Chair: Mr. Braithwaite, could you hold for a moment, as we're having an issue with the interpretation.

We going to suspend for a couple of minutes while we get the technical issue clarified.

• (1110) _____ (Pause) _____

• (1115)

The Chair: We will resume. I'm sorry about that.

We will proceed to the second witness, Monsieur Racette, for five minutes.

[Translation]

Mr. Jean-Pierre Racette (Manager, Société d'habitation populaire de l'Est de Montréal): Good morning.

I first want to thank you for giving us the opportunity to share our viewpoint with you on the issue of housing acceleration in Canada. I'll discuss this issue from an angle that will undoubtedly be a bit different from the other witnesses.

Like all of you, we feel it's important to quickly and considerably increase the supply of housing, particularly in large urban centres, which are experiencing a long-term housing shortage, particularly affordable and social housing.

That shortage destabilizes economic development. Among other things, it reduces the supply of housing for low- or moderate-income workers, who need to move further from their place of work, thus increasing travel time and greenhouse gas emissions. It also has devastating effects on the most vulnerable households, more and more of whom will end up in the street due to a lack of housing. In addition, those households are made up not just of people with mental health or addiction problems. Large urban centres will be required to manage social crises related to structural homelessness.

I note that our organization works in Montreal. Since our analysis was conducted based on urban centres, it would probably differ slightly for less populated areas.

Building numerous affordable and social housing units is a key objective. Many stakeholders will tell you various ways of addressing this complex problem, based on their perspectives and their interests. For my part, I'd like to draw the attention of the members of this committee to another issue of common interest that we feel is overlooked and that, in our opinion, is a blind spot in the current process of accelerating housing construction. Construction must certainly be accelerated, but the sustainability of new housing must also be ensured. In addition, the opportunity must be taken to structure the affordable housing sector in Canada so it's more efficient and more financially self-sufficient. Following are some issues related to the sustainability and structuring of the sector.

Once the 100,000 new housing units are built, a substantial number of which must be affordable enough to meet the most pressing needs, they must remain affordable, their quality must be maintained and they must be well managed. However, experience over the last 40 years shows that the issue of sustainability is far from being considered. Indeed, the basic assumption is that, if the funding needed to carry out a housing project is secured, the housing development will magically be well managed over the long term, which will ensure its sustainability and affordability.

Why then, you would ask, must we worry about long-term management of affordable housing stock? There are various reasons, which I'll list.

First, real estate management is very complex, particularly in a large urban centre where social dynamics can become extremely difficult and complex.

Second, managing complexity requires expertise and specialized skills. Those skills require high salaries and organizations with teams that are able to retain that competency. Also, paying those salaries, especially in large urban centres like Montreal, Toronto and Vancouver, requires large social enterprises that can assume the inherent costs of that competency. All this is even more true in the

context of a major labour shortage, which requires significant salary adjustments to deal with competition from all the other companies that are also looking for skilled labour.

Finally, I must note that it's the large competent companies that will find it easiest to innovate and adapt their activities to housing needs and the evolution of our environment, which is transforming faster and faster. A case study of about 15 non-profit housing organizations in Canada, conducted in 2015 by Housing Partnership Canada, highlighted the major challenges that await the sector in terms of organizational capacity, sustainability and innovation.

We therefore have a unique opportunity to structure the affordable housing sector in Canada over the long term and promote the development of independent financial capacity by channelling responsible funding and government funding toward solid organizations. In large urban centres in Canada, there are somewhat larger organizations that focus on development. However, to be competent, have the ability to take on a considerable number of new housing units and attract responsible funding, they must absolutely be much larger. Economic analyses refer to a threshold of approximately 2,500 housing units for an organization to be competent and viable.

- (1120)

We want to highlight to the members of the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities that this a unique collective opportunity to make the affordable housing sector in Canada's large urban centres stronger and more independent. This can be done while pursuing the objective of building 100,000 housing units.

I note that small urban centres also have challenges. It's not a matter of pitting small urban centres against large urban centres, as they complement each other. That said, the problems in large urban centres are extremely pressing.

With that in mind, and given that we have five minutes, we're making the following recommendations.

As part of the accelerated construction of these 100,000 housing units, particularly in large urban centres, where a large number of those units will be built, we recommend that priority be given to organizations that already have a large number of housing units and the expertise to foster the sustainability and affordability of those new units.

We also recommend encouraging closer ties or integration among these large social enterprises in order to accelerate their development and to bring them closer to the organizational threshold capable of supporting sustainable expertise.

With that sector consolidation in mind, including by consolidating the strongest actors, funds for organizational development must be provided to support this transition.

In that way, the strongest organizations with very large real estate stocks could be more qualified for more independent funding in the area of responsible funding. I am thinking of labour-sponsored funds, charitable foundations and pension funds.

In closing, I'd like to tell you about us. The Société d'habitation populaire de l'Est de Montréal, often called SHAPEM, is a social enterprise founded 34 years ago, in 1988. We are responsible for a housing stock of approximately 1,750 units in about 100 buildings, 1,000 of which are owned and 750 that are managed for non-profit organizations.

Of those 1,000 units that are owned, approximately 40% were built without assistance from government programs, through patient venture capital providers, such as the Fonds de solidarité FTQ, the Lucie and André Chagnon Foundation or religious communities.

[English]

The Chair: Mr. Racette, could you conclude? We've gone well over the five minutes.

[Translation]

Mr. Jean-Pierre Racette: Okay. I'll finish the description of our organization.

Our owned assets total close to \$150 million. Our managed assets total \$150 million, and our assets in development total \$100 million. We're active in seven boroughs in Montreal, and our work team is made up of 45 people.

Thank you very much.

The Chair: Thank you very much, Mr. Racette.

[English]

We'll now to go Mr. Barndt from the Neighbourhood Land Trust, for five minutes, please.

Mr. Joshua Barndt (Executive Director, The Neighbourhood Land Trust): Hello, honourable members. Thank you for having me here today. My name is Joshua Barndt, and I'm honoured to present on behalf of the Neighbourhood Land Trust.

I am coming to you here today from the neighbourhood of Parkdale in Toronto. The Land Trust owns 85 buildings, with 205 units of affordable rental housing. Our primary strategy for producing affordable housing has been to acquire existing rental housing and convert that housing to permanently affordable rental housing.

Over the past years, our organization and others have struggled to access funding through the national housing strategy to support this work.

I would like to speak to you today about the crisis of increasing unaffordability of rental housing stocks, and how we believe the accelerator fund could respond to this. In order to contextualize our recommendations, I'd like to share the housing affordability challenges that residents in our community are experiencing.

First, in south Parkdale 11,000 households are tenants. This represents 87% of residents. As Toronto experiences a housing affordability crisis, a large majority of local residents experienced a crush of market-driven rent increases, evictions and displacements. In 2021, our organization undertook a neighbourhood-wide research

study, looking at the changes in affordability of the rental apartment building sub market, consisting of 68 private rental towers with a total of 6,060 units. Our research documented a troubling trend of consolidation of ownership of this housing stock by financialized landlords, with 71% of units currently owned by large corporate landlords and REITS.

Among many extractive business strategies, the acquisition of low-end market rental housing and the subsequent rent increases of asking rents in these buildings is integral to the financialized landlords' business strategies. This is translated into the prevalence of aggressive above-guideline rent increases and eviction applications. The advertised rents in south Parkdale increased dramatically from 2015 to 2018 by 36%.

In 2018, none of the large landlords offered units for less than \$1,400, a rent level 40% higher than the CMHC average rents for the area. These dramatic rent increases and eviction threats have destabilized the everyday life of tenants, 50% of whom live below the poverty line, the majority of whom are BIPOC residents and immigrants. Above 50% of our survey respondents, tenants living in these buildings, now live in severely unaffordable housing by spending more than 50% of their income on rent. In addition, tenants have faced increased financial burden with 40% disclosing an inability to pay for medicines and food that they require.

What is a tangible solution to secure and maintain the affordability of rental housing stocks? Through jurisdictional research and consultation with tenants, community organizations, housing experts and municipal government officials, we've identified that the most effective means of preserving and producing as well as maintaining the affordability of rental housing stocks is the acquisition of private rental housing by the public or non-profit organizations, and the conversion of these properties to permanently affordable rental housing.

It is important to note that the acquisition of rental housing was a key strategy utilized to produce co-op housing from the 1970s to 1990s. Unfortunately, the national housing strategy has failed to support the acquisition of rental housing, the most rapid and cost-effective means of securing permanently affordable housing.

A national acquisition finance stream is direly needed as part of the housing accelerator fund. Countless advocates have already proposed such a program. FCM's 2020 white paper coined "COVID-19 and housing: Critical need, urgent opportunity" proposed, as one of two goals, to acquire and protect modest-rent market housing. FCM specifically identified that the federal government has an opportunity to empower community housing providers and their municipal partners to purchase existing, relatively affordable private rental housing at a much lower cost than building new affordable housing. While this goal has not yet been realized, it's not too late to act.

Why is an acquisition program a really good idea? Given today's high land cost and construction costs, preserving the existing supply of affordable rental units is faster and more economical than building new affordable units. Acquisition projects are an economically efficient way to secure the supply of rental housing, costing 30% to 60% less than new construction projects. Lower cost, of course, means more units are produced through public investment. Because the buildings in question are already integrated into the neighbourhood fabric, preserving rental housing supports government policy objectives of maintaining the stable and well-served mixed income neighbourhoods while reducing neighbourhood disruption caused by new construction. Acquisitions also curb the flow of vulnerable tenants into homelessness. For existing tenants, their housing becomes secure and remains affordable. In addition, as units are made available and turn over, acquisitions accelerate access to affordable housing for those on affordable housing waiting lists and in shelters.

• (1125)

I am almost done, so thank you for your time.

What is needed for an acquisition program to work through the accelerator fund? Canada needs a funding program that is a hybrid of the CMHC co-investment fund and the rapid housing initiative. This program must include, one, low-interest financing similar to the NHS co-investment program and, two, capital grant or forgivable loan funding similar to RHI. However, where RHI projects in Toronto required \$350,000 to \$600,000 per unit to produce, an acquisition project would require one-third of that, at \$100,000 to \$250,000 per unit.

Number three is that funds need to flow rapidly as acquisition projects move at the pace of the market. The City of Toronto has exemplified a means for governments to disburse funds rapidly for acquisition through a new multi-unit acquisition program that they called MURA. The NHS should consider a similar program design or simply provide the funds to municipalities to disburse locally and rapidly. I think this committee could consider providing those funds directly to municipalities and encouraging municipalities to produce programs similar to that of the City of Toronto.

In conclusion, the Neighbourhood Land Trust seeks to advise the committee that the most effective means for the federal government to accelerate the availability of affordably housing is to support public and/or non-profit acquisition of rental housing properties through a federal acquisition program funded through the accelerator fund.

Thank you so much for your time, and good luck on this very important task.

• (1130)

The Chair: Thank you, Mr. Barndt.

We'll now open the floor for questioning, beginning with Madam Kusie for six minutes.

I will advise witnesses that I will be following the timeline and therefore will interrupt and ask you to conclude so that we get to as many members as we can.

Madam Kusie, go ahead for six minutes.

Mrs. Stephanie Kusie (Calgary Midnapore, CPC): Thank you, Chair.

Thank you, witnesses, for being here today.

Mr. Barndt, I'm sorry but I didn't understand something. Exactly where does your funding come from currently to purchase these units? It wasn't clear to me from your introduction.

Mr. Joshua Barndt: Currently we depend on two streams of funding for the acquisition of rental housing. One is municipal grants. One initial project was undertaken through section 37, which was funding received by the municipality through development bonusing. Now the City of Toronto has created the MURA program, which provides access to grant funding from the city, so we apply to that program now through a formal application.

In addition, last year in the absence of either a municipal, provincial or federal program, we raised investment from nine foundations—impact investors—who provided us short-term financing to acquire a building and get it off the market to ensure that we could preserve that affordable rental. Nonetheless, that impact investment really provides gap financing, not long-term funding or financing, so we need a government solution—a government program—to provide that support.

The other thing I'll say is that we did seek to put projects together through the RHI program and we had three unsuccessful applications partially due to the fact that RHI excluded the acquisition of rental housing unless that rental housing was fully vacant or dilapidated, which in our mind was really an ineffective qualification because in fact we want to buy the better buildings—the buildings that are tenable, that are in good condition and that can provide good housing.

One of the things we hear a lot from naysayers of acquisition programs is that we need to produce housing that is vacant so that we can move people out of shelter into that home. What we find is that, because of the natural turnover in rental housing, we actually have access to a lot of housing. So in the time it would take to build a building—two to three years—we can actually have enough vacancy to produce that flow and bring people into housing at a rate similar to that for new construction projects. In fact, because those buildings are non-profit owned and linked to access plans from the City of Toronto's affordable housing wait-list, we provide ongoing access to housing, moving forward, as well for those in need.

Mrs. Stephanie Kusie: How would you say that inflation has impacted housing affordability, and what do you think would help your tenants and these foundations to mitigate the impact of rising inflation in Canada and its impact on your land trust?

Mr. Joshua Barndt: That's an incredible question. It's very important.

I can tell you that we had a building that we were seeking funding for from the City of Toronto, and we had a business plan to acquire that building. About six weeks ago, we required \$4 million in capital funding to make that project work—it was a 36-unit building—and we could finance the rest.

Just in the last six weeks, rates have increased so significantly, and the 10-year terms offered by banks have escalated by about 2 percentage points by now. While the government's rates have increased only a little bit, the 10-year terms that banks are offering have escalated by about 2 percentage points. That meant that our capital requirement for investment, grant funding, increased by over \$1.4 million to \$5.4 million. The interest rate escalation is significantly impairing our ability to finance these projects, and it translates to a higher need for capital funding.

On the one side, while interest rates are higher, we're going to need more capital grant funding. In addition, non profits continue to need access to low-interest financing through CMHC. That is going to continue to be extremely important to assist with our work.

• (1135)

Mrs. Stephanie Kusie: Similarly, how would you say that the challenges around supply chains and labour shortages have impacted your land trust?

Mr. Joshua Barndt: Thank you also for that question.

We do not build new housing; we acquire existing buildings. We benefit from the fact that those buildings exist already, so our projects are not slowed down by supply chain issues. We can acquire those buildings today. Of course, once you own a building, especially a building that might be a little bit older, there's a need to renovate those buildings, to improve them and repair them over time.

Of course, we are experiencing some cost escalation due to supply chain needs and labour shortages. The benefit of having a tenable building on day one is that you can plan for those repairs over time. In many cases, especially when we're purchasing better buildings, we can provide affordable housing to those who need it while we experience those delays in securing the labour and getting the additional funding and financing to afford the repairs.

We're finding that we can continue to provide the benefits to the city and to residents of Toronto, even with these shortages. Of course, they can slow our work down a bit, but in an acquisition context, they have less impact than they would with new construction projects, which are experiencing huge cost escalations and huge delays.

The Chair: Thank you, Madam Kusie.

We'll now move to Ms. Martinez Ferrada for six minutes.

[*Translation*]

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

My question will be for Mr. Jean-Pierre Racette.

Thank you, Mr. Racette, for your presentation today. Indeed, we see a lot of gentrification because rents are becoming more and more expensive and people are living further and further away, and that can have an impact on climate change.

I'd like to come back in particular to the issue of funding. You talked a bit about it at the end, but you ran out of time. Today's study is about how we can ensure that the housing accelerator fund will in fact support the rapid creation of housing units.

Do you believe that a fund like the one that was created to quickly address the COVID-19 pandemic could more quickly distribute funds to current projects?

Could you talk to us about the context surrounding funding? How can we better support you?

I must tell you that you only have one minute to answer, as I'm sharing my speaking time with my colleague, Mr. Collins. I know you well, so don't go on too long.

Voices: Ha, ha!

Mr. Jean-Pierre Racette: Okay.

Indeed, it is important for the Canada Mortgage and Housing Corporation, the CMHC, to be able to make investments like the ones it made in this fund, but they could be combined with others. I'm more familiar with Quebec than the other provinces. We had a lot of help from the Fonds de solidarité FTQ and the Lucie and André Chagnon Foundation before the funds were available.

When an opportunity arises, it needs to be seized quickly. I fully agree with Mr. Barndt. Opportunities need to be seized. In the short and medium terms, it's important to partner with organizations like the Fonds de solidarité FTQ, religious communities and large foundations to make funds available. We've done several projects that way. Then there's the issue of longer-term funding, interest rates and financial balance. That's something else.

Ms. Soraya Martinez Ferrada: Do you do all that through existing funds?

What about municipalities?

• (1140)

Mr. Jean-Pierre Racette: It's also true for municipalities. The problem is that quick action is needed. There's also the whole issue surrounding entrepreneurship.

The management of public funds imposes some constraints. More flexible funds are needed at the outset to get off the market long enough to properly analyze public funds, investments.

In Montreal, the analysis of projects can take a year or a year and a half. Buildings or lands cannot be held for a year and a half when there are offers to purchase. That's impossible at the moment.

Ms. Soraya Martinez Ferrada: They need to be planned better.

Thank you, Mr. Racette.

[English]

Mr. Chad Collins (Hamilton East—Stoney Creek, Lib.): Thanks, Mr. Chairman. My quick question will be to Mr. Barndt.

Joshua, last week, we had Ms. Abi Bond from the housing secretariat in Toronto. She referenced the MURA program and talked about, as you have this morning, the importance of flowing the funds as quickly as possible to municipalities and service providers to ensure that we avoid some of the issues that Ms. Kusie raised earlier about rising interest rates and inflation issues.

Can you expand upon the MURA fund and elaborate on the importance of flowing the funds quickly to non-profit service providers and municipalities?

Mr. Joshua Barndt: Thank you so much for the question.

Our organization has been working to acquire rental buildings for many years. Prior to partnering with the City of Toronto, we experienced 17 failed acquisitions due to the fact that there weren't appropriate programs to support our work.

The MURA program came out of collaboration between the City of Toronto and non-profits such as ours, which saw the acquisition of rental housing as important. There was a pilot program in 2019, which is evaluated, and our organization accessed funds through that pilot program.

That pilot program was successful, and the city now has matured that pilot program into an ongoing program. What it provides is a two-stage RFP process. There is a two-stage review process. The first stage is a pre-review of the organization, so ensuring that the organization is financially sound, that it has an appropriate strategy and operating and acquisition experience. Then that organization can be pre-approved to go out into the market and bid on buildings for a pre-approved amount of funding per unit.

That enables the organization to provide an offer on a building, knowing that it has access to funding quickly. Once that organization finds that building and puts the business plan together, undertakes a due diligence, they send out a package to the city. The city commits to reviewing and approving or denying that fund on an accelerated basis—I think it's 30 days.

That allows an organization to go and compete effectively in the private market and actually participate respectfully in the private market. Non-profits often have to pull together a lot of different complicated funding and financing to make a project work, and they're convincing a private owner to be part of that deal. When we go with what we need, it means that we're respecting the way the market works and we're working well with the private sector to

transition that housing to a long-term ownership with affordable rents built in. This program is great in that way.

It also provides a few additional pieces of funding that are key to making this work. It provides deposit funding so—

The Chair: Mr. Barndt.

Mr. Joshua Barndt: —that you only need a bit of money to put down a deposit, as well due diligence funding.

Thank you so much.

The Chair: Thank you, Mr. Barndt.

[Translation]

Ms. Chabot, you have the floor for six minutes.

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

I want to thank the witnesses for their comments and their expertise in relation to the two large cities. We know them well, but personally, I know Montreal better.

We are at the front end of the process for the new fund. In concrete terms, how can we ensure that the fund is significant?

The new fund proposes 100,000 new housing units by 2024–25, or \$4 billion over five years. Last week, a witness said that funding should be accelerated—the \$4 billion expended more quickly—because construction and acquisition take so long. He also said that there needs to be project-based funding.

Do you feel that those solutions are appropriate?

My questions are for both witnesses.

● (1145)

Mr. Jean-Pierre Racette: We need to understand that the situation is complex. In the last two projects we carried out, we were dealing with heritage issues. They were heritage buildings, magnificent buildings with land. However, we needed a year and a half to two years for the entire process. There are limits, regulatory procedures, that can't be avoided.

Funds must be available quickly to get the buildings off the market. It's essential to pre-allocate funding. For us, things don't work in the way described by Mr. Barndt. We operate more with funds other than municipal funds, initially, and then we turn to the city.

We must also talk about organizational capacity. Building 100,000 housing units in three years is no small task. I put a lot of emphasis on organizational capacity. Everyone involved with non-profit organizations will reach essentially the same conclusion: long-term funding and community support are needed. Organizational capacity, competence, is essential.

I'm not entirely answering your question, but these points need to be raised. As I said, it's no small task. Construction time frames must also be considered. Existing buildings can be purchased, but since more and more people need housing, construction must also be considered. If all existing properties are eliminated, the middle class will not be able to find housing.

Ms. Louise Chabot: Thank you, Mr. Racette. You're right.

Now, I'd like to hear from the other witness.

[*English*]

Mr. Joshua Barndt: Thank you so much.

The City of Toronto this year has put \$20 million into the MURA fund. If we assume that the top amount allowed per unit, \$200,000, is provided for those projects, that would produce 100 units. If the City of Toronto, for example, received \$200 million or more from the federal government, we could exponentially increase the number of units that could be produced.

I think quick funding of municipal programs, where those municipal programs exist, would create a quick impact. You're correct to say that, as we are seeing escalation in interest rates, the sooner we act, the better. In addition, I think as we continue to see both the pressure of COVID and the economic pressure on vulnerable people as well as on rents, we could see an escalation of the homelessness crisis. Therefore, the faster we act, I think the more likely we can sort of curb that increase in the homelessness crisis and ensure that people are in secure housing.

I think, of course, that putting out money soon would be very beneficial.

Then, as was said earlier, I think it also would be important to sustain it for some period so that projects could come together over time. Projects aren't always possible today. Sometimes in two months, three months or a year, additional or alternate projects, great projects, can come forward.

Having a program with sustained funding that allows proposals together over multiple years would be beneficial.

[*Translation*]

Ms. Louise Chabot: I agree that 100,000 housing units is a lot. However, it must be remembered that that's across Canada. If that goal is reached within the set time, as the government wants, how can it then be assured that the units will remain affordable?

Will the definition of affordability need to be reviewed?

• (1150)

[*English*]

The Chair: We can have a 10-second answer.

Mr. Joshua Barndt: Sure. It's very important that capital funding and low-interest financing provided by the federal government go to housing models that have a specific commitment to long-term affordability. Those include co-ops, non-profit organizations, public entities and community land trusts. We need to be looking at affordability periods of 49 years at a minimum. People need housing for the long term, and we've invested much too much money in short-term affordability. It's a good deal for governments to do this

as well, because of course the public money put into projects will produce longer-term public benefit. That funding is better used when invested in projects for which there are long-term affordability requirements and commitments.

Thank you.

The Chair: Thank you, Mr. Barndt.

[*Translation*]

Thank you, Ms. Chabot.

[*English*]

Now we go to Madam Zarrillo for six minutes.

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

I want to thank both of the witnesses today. This testimony is so important. It is my wish that this testimony gets the government thinking differently and reframing how the accelerator fund actually could also promote purposeful, rental-stable, already built housing.

My first comment is that the accelerator fund cannot incentivize the financialization of housing. I would ask Mr. Barndt about the Ready Now model, the purpose-built rental that could create the right supply more quickly.

My question is for Mr. Barndt, and then, if there's enough time, I would also like to hear from Mr. Racette. How much time can be saved, how much less expensive can it be to build them and how many more units could we get if we spent a little more of our focus on the already built housing units, purpose-built rental?

Mr. Joshua Barndt: Thank you so much.

Our analysis in our community is quite clear that for the acquisition of an existing rental unit the costs come to around \$200,000 to \$300,000 per unit. To produce the same unit new would cost between \$450,000 and \$600,000 per unit. The costs are significantly more.

In addition, the timelines are significantly faster. We can identify a property that's for sale, get a deal, undertake due diligence and acquire that building within a three-to-four-month period, whereas in new construction projects we're looking at a minimum of a two-year period. Even with the rapid housing type of projects, they have generally been delayed and are taking one and a half to two years.

We can act much quicker. Of course, if the cost of the projects are lower, what it means is that with the government funding we have, we can produce more units.

Ms. Bonita Zarrillo: Mr. Racette?

[*Translation*]

Mr. Jean-Pierre Racette: First, the strategy is to get as many units off the market as possible over the short term. To do that, funds are needed.

Second, we can wait for two, three or four years. We've acquired buildings in the past, and it took 20 years to make them into subsidized housing.

Funding must be available to get through the transition period, which can be quite long. Right now, in Montreal, it's mostly affordable housing units, for which the rent is lower, that we want to take off the market—I will use Mr. Barndt's logic—and they will sell at a price that will significantly raise market rents. Currently, low-rent housing units are being acquired by people who find a way to evict residents and raise the rents by \$200, \$300, \$400 or \$500 per month. The problem is that, if they're on the market—because they are on the market in these cases—funding must be negotiated and maintained to make up the difference in rent, which will not be enough to cover operating costs, as though they were on the market. For instance, suppose rent is \$500 more per month, \$200 or \$300 is needed per month to cover that difference in costs. Prices in Toronto, Montreal and Vancouver aren't the same, but the logic is the same.

As for our rents, an affordable three-and-a-half room apartment costs \$700 or \$800 per month. However, if the building is put up for sale, that unit will then rent for \$1,200. The financing package and analysis will require an increase in funding to get through that period. Over the long term, it will become advantageous. When our buildings are taken off the market—we do it often—the funding is not proportional to the costs.

• (1155)

[*English*]

Ms. Bonita Zarrillo: I'm sorry. I'm going to interrupt, Mr. Racette, because there's so much more that I want to hear about from both of you.

I know my time is running out. I have always wanted to probe into this operating agreement and the problems with the legacy operating agreements in housing. If possible, if there's any written submission that both of you could send to the committee, that would be wonderful.

Mr. Chair, can I also ask Mr. Barndt if we could get a copy of the study done out of Toronto that he spoke of?

Could I get that as well, Mr. Barndt? I would like to share it with my cities in my riding.

Is my time up, Mr. Chair?

The Chair: No, you have a minute and 10 seconds.

Ms. Bonita Zarrillo: I still have a minute.

What is the number one thing we need to do to make sure this fund does not incentivize financialization of housing?

I'll ask Mr. Racette and then Mr. Barndt.

The Chair: We need short answers.

Mr. Racette.

Mr. Joshua Barndt: Mr. Racette, shall you go first?

[*Translation*]

Mr. Jean-Pierre Racette: I'll try to answer the question correctly.

At this time, there's a lot of capital to remove housing units from the market. Adding capital to remove units from the market will lead to an increase in prices. Regardless, going against the market isn't possible. To reduce pressure, 400,000 or 500,000 additional housing units would be needed in Canada all at once. It's very difficult because, at this time, going against the market isn't possible. It's a race to remove from the market what gives the best chance of maintaining affordable housing. It's hard to not follow existing funds that remove housing and that cause rents to double.

I have no magic answer for you, but it seems hard to me.

[*English*]

The Chair: Thank you, Mr. Racette.

Mr. Barndt, you probably can answer that in follow-up to a question from another committee member.

We're going to Ms. Gladu for five minutes and to Mr. Coteau for five, and that will conclude the first group of witnesses.

Ms. Gladu.

Ms. Marilyn Gladu (Sarnia—Lambton, CPC): Thank you, Chair.

Thank you to our witnesses for appearing.

We see that there is an affordable housing crisis across the nation, but in every place, whether it's an urban place or a rural place, there are different needs to address that problem. It's my view that the municipalities.... For example in Sarnia-Lambton, we have a five-year plan. We know what kinds of affordable housing we need to get and how we can provide for those who are lower income, address homelessness and all of these things. I'm sure other municipalities are similar.

It's my view that what the federal government ought to do is directly fund the municipalities, because then they know the organizations that are there that are doing the good work on the ground and they can operate at a pace that reacts to the market. I think that's the best way.

I'll ask this to each of the witnesses: Do you agree? If not, how would you recommend we move forward?

Mr. Joshua Barndt: Thank you so much for the question.

I absolutely agree that municipalities, in being local, have an understanding of the local needs and have collaborations with the partners that they need to work with for success so they can target programs to needs. So, absolutely, providing funding to the municipalities is very import, but, when doing that, it's extremely important that CMHC or the federal government not put strings on the use of those funds or limits on the use of those funds that restrict the kinds of strategies that municipalities want to have but have not been able to have through CMHC funding and financing.

We need to allow the flexibility so cities can decide whether an acquisition of rental housing program is an important strategy. That's what we want to use here. RHI didn't do that. It came with very strict restrictions on the types of projects that were eligible. It limited municipalities, at least in Toronto here, to having the type of strategy it felt was needed.

In fact, we were working with the municipality prior to RHI to secure a building that the city believed would be a great RHI program. We got an agreement of purchase and sale, but then, when the guidelines were announced, we lost that project.

Please don't tie the hands of municipalities by restricting the use too much. It's important to have some form of restrictions to ensure the funds are used well, but respect the municipalities or the experts with regard to what's needed for their residents.

Thank you so much.

• (1200)

Ms. Marilyn Gladu: Thank you.

[*Translation*]

What do you think, Mr. Racette?

Mr. Jean-Pierre Racette: In Quebec, it's tricky.

The Société d'habitation du Québec is responsible for allocating funds. Municipalities are clearly better suited and know the area better. Montreal has a particular status, as does Quebec City, I think.

In Quebec, the problem is that it can lead to disagreements, which would delay investments. That could also lead to Quebec not investing in housing, leaving it to the municipalities and the federal government. That's not a good idea because some small municipalities are unable to take action. If Quebec or the other provinces don't work at the regional level, that can cause problems for small municipalities.

In Quebec, there's a political issue, but the municipalities certainly know the area better and are better suited to find solutions.

[*English*]

Ms. Marilyn Gladu: Another issue that I think is making the problem worse, and doesn't really have a solution, has to do with immigration. We see the temporary foreign workers coming who are looking for affordable housing. In my riding, we have 100 Ukrainian families coming, who will be sponsored by people, which is great, but as they start to support themselves and move out and look for housing, it's not there.

With Roxham Road, we have a steady stream of people coming in. I don't see that there is a plan.

Monsieur Racette, do you have any suggestions on what the government could do to help there?

[*Translation*]

Mr. Jean-Pierre Racette: We have experience in Montreal North, a neighbourhood that's home to a lot of newcomers. We have developed territorial strategies. We do a lot of projects in which the area must be considered and services offered. We not on-

ly offer housing; we create a community. Our vision is to create united and inclusive communities in these urban centres. The projects must therefore be thought out in terms of the urban centre.

Naturally, there are host areas where housing is not as expensive and where there's already a population of newcomers, and that has to be dealt with. It is not simply a matter of carrying out a project that falls from the sky and lands somewhere. The issue of territorial strategies is essential.

As for immigration, Quebec usually welcomes about 50,000 newcomers per year. Of those 50,000 newcomers, 80% settle in Montreal and in certain neighbourhoods. That represents an integration challenge that cannot be ignored. As for investments, more comprehensive strategies need to be developed, and the cities—

Ms. Marilyn Gladu: Mr. Racette, my time is up.

[*English*]

Mr. Barndt, if you could maybe submit your answer in writing to the committee, that would be great.

Thank you.

The Chair: Thank you, Ms. Gladu.

[*Translation*]

Thank you, Mr. Racette.

[*English*]

Now we will move to Mr. Coteau for five minutes.

Mr. Michael Coteau (Don Valley East, Lib.): Thank you very much, Mr. Chair.

I want to thank the witnesses today.

This issue around housing affordability is a huge issue, and I know it impacts the entire country. In my riding, currently there are 81,000 home requests just for Toronto community housing, which is astonishing. I know that's replicated right across the country.

I just want to say thank you to the witnesses for the work they're doing to look for alternatives to bring in affordable housing.

My first question is to Joshua.

You talked about the difference between short-term and long-term affordability. You said 49 years versus a short-term period. Can you briefly explain that a bit more, please?

Mr. Joshua Barndt: Yes. One basic example is in the City of Toronto. When a rental building is demolished, rental replacement policies require that the affordable rental units in that prior building be rebuilt in the new building and that they be affordable for 10 years. That produces an affordable unit for 10 years. We often find at the end of that 10 years, as units turn over, that those rents are increased to above market rents. There is an idea that we're producing affordable units, but they disappear at 10 years.

In the U.S., they've experienced crises of funding hundreds of thousands of affordable units that had 20-year affordability periods, and then when those periods end, they are gone.

It's very important that when funding is going to a project that the affordability requirements be long term—the life of a person. Someone needs to live there. The affordable housing should be there past that tenant so that it's available to future members of that community. We advocate for 49 years of affordability, which is a very long-term period.

• (1205)

Mr. Michael Coteau: To jump back in, I have a quick question. We all use this term “affordable housing”.

To both witnesses, very briefly, is there a common definition of what that actually means, and does it mean different things in different jurisdictions? I think it's important for us all to be on the same page when we talk about what affordable housing really means.

[*Translation*]

Mr. Jean-Pierre Racette: Yes, absolutely. It has to be based on household income. A unit that costs 50% of the market price can be said to be affordable, but if the rent doubles, the household occupants would no longer be able to pay it because their income would not have doubled. A unit that costs no more than 30% of the household's income is therefore an adequate target.

As for long-term affordability, I believe that the owners must not be profit-oriented. That's an important condition. Otherwise, in the private sector, over time, sale is inevitable due to the lure of capital gains.

The last thing I want to point out is that, over time, non-profit organizations with large real estate stocks build the equity needed to refinance their mortgages and repay their debts. They thus financialize the housing, but to build long-term affordable housing, not to make a profit. For sure, there's currently a short-term crisis. However, in 15 or 20 years, those property owners will have been able to repay their debts and, as in the private sector, build and purchase housing units, renovate existing units and develop their real estate stock. That's something that's been greatly neglected in Canada. Projects are carried out, but the owners aren't taken into consideration.

[*English*]

Mr. Michael Coteau: I don't mean to interrupt. I probably have a minute and a half left. I want to get a definition of affordable housing from Joshua.

From your perspective, what do we mean when we talk about affordable housing? Is there a universal definition that's out there?

The Chair: You have less than a minute.

Mr. Joshua Barndt: There's definitely not a universal definition out there.

The City of Toronto defines affordable housing as housing that is below 100% of average market rent. The city's funding programs target rents to be set at 80% of average market rent or less when they are providing capital funding or other significant incentives. Of course, in the city of Toronto 80% of average market rent is not affordable to most residents.

When non-profits put together projects for folks who have lower incomes, we will often layer in rental housing supplements or other forms of rental supplement, like an RGI supplement, to ensure that the tenant's portion of the rent is affordable and that the subsidy is meeting that difference. All projects that target lower-income people or folks on fixed income—like ODSP, Ontario Works or OAS—require those types of layered rent supplements in addition to the other supplements.

In addition, in the U.S. a common strategy is to have mixed buildings owned by non-profits, in which rents for some units are above market to subsidize the lower-rent units for folks who need lower rents. That's a model that is more common in the U.S., but we should be increasing the use of that here in Canada.

Mr. Michael Coteau: Thank you very much to both of you.

The Chair: Thank you to the witnesses.

As you can see, this is an engaging subject. Thank you for your contribution.

A number of committee members asked that if you have anything written that you would like to submit to the committee and that you think may help us in this study, to please submit that to the clerk. Again, thank you for taking the time to participate this afternoon.

We will suspend for a moment while we change to the next group of witnesses. Thank you.

• (1205)

(Pause)

• (1210)

The Chair: I'm going to move directly into opening statements, as each one of you introduced yourself and the committee knows who you represent. We have the City of Montreal, the City of Saint John and the Town of Newmarket. Each witness will present for five minutes. I will interrupt you if you move over five minutes, because we are stretched for time today.

We'll begin with la Ville de Montréal with Monsieur Dorais.

[*Translation*]

Benoit Dorais (Vice-Chair of the Executive Committee, City of Montréal): Good afternoon, Mr. Chair, vice-chairs and members of the committee. Thank you very much for having me today and giving the City of Montréal the opportunity to take part in this discussion as part of your study on the housing accelerator fund.

First, the City of Montréal wants to acknowledge the housing investments announced by the Government of Canada in its latest budget, as well as all the investments in recent years through the national housing strategy. We recognize the importance of housing and the existence of a real crisis in housing. The Government of Canada deserves credit for these investments, which will clearly help to achieve concrete results. We therefore applaud the desire to create the housing accelerator fund, a measure that adds to other recent federal initiatives.

Before discussing our expectations for this new fund, I'd like to take a few moments to present the projects under way in Montreal. In Montreal, we've had record years in terms of building construction and the addition of units, and we've seen a real estate boom in recent years. Despite everything, we're seeing an explosion in property and rent prices. In Montreal, we're getting close to an overheated market. The problem is in part due to the basic supply, but to adequately address the current housing crisis, targeted action must be taken now in the area of off-market social and affordable housing construction.

The City of Montréal has shown that it can quickly adopt the tools needed to do so, and one of the solutions it has already put in place is an inclusion strategy, which recently evolved into a by-law for a diverse metropolis. That by-law sets out the terms for inclusion of affordable social and family housing in private residential projects.

Over the last year, a right of first refusal has been added for social housing and housing in general, which has allowed the city to act in terms of property by acquiring lands and buildings. These tools are at the heart of an ambitious strategy, with the city's partners, of accelerating the preservation and construction of 60,000 affordable housing units over the next 10 years, not to mention the construction of 2,000 social housing units per year. In terms of acceleration, the city did not wait to act, because it has needs. We set ambitious targets, and the city developed mechanisms for achieving them and enhancing its tool box.

The metropolis of Quebec also has private and community partners who have projects ready to launch but who cannot do so due to inadequate funding. With our local partners, the city needs help from the various levels of government in relation to four elements.

First, stable, predictable and recurring funding must be disbursed quickly and directly to cities to fund affordable off-market projects. Financial resources must be focused on the construction of housing.

Second, flexibility is needed in the use of the funds, because the city knows the needs, knows how to propose solutions, knows local actors and is trying to work with them. As we saw with the rapid housing initiative, it worked well.

Third, a coordinated and efficient approach is needed, because the increased number of programs, terms and criteria hinder the acceleration of the completion of projects. Federal programs must be consistent and must actually meet local needs, not to mention that they must absolutely align with provincial and municipal programs.

Fourth, an approach is needed that takes into consideration the unique features and challenges of large urban centres, to make it possible to limit urban sprawl, to increase the density of land in a smart way, to innovate and to optimize the use of existing infrastructure.

The City of Montréal reiterates that municipalities are best suited to find opportunities and meet local needs. We have the flexibility needed to take action, and we can create partnerships with the private sector and communities to accelerate development. We have proven this, and we continue to want to prove it with the necessary financial support.

I also note that the problem of acceleration is not really linked to municipal by-law barriers like zoning or the issuing of permits. The problem is related more to the exponential increase in land value, the increase in construction costs, the labour shortage and the cost of construction materials. In short, the cost of development is increasing, and is hindering affordable and social housing projects. In this respect, the housing accelerator fund is a unique opportunity for the federal government to concretely and quickly support cities, which are on the front lines fighting the housing crisis.

• (1215)

We therefore invite you to continue working with large cities in Canada and to accelerate the preservation and construction of affordable and social housing.

I'll conclude by very briefly noting the federal lands initiative. Access to surplus public buildings is certainly useful.

The Chair: Thank you, Mr. Dorais.

Mr. Benoit Dorais: Thank you very much, Mr. Chair.

[English]

The Chair: You can follow up in the answer round.

Now we will go to Mayor Noade Reardon for five minutes.

Ms. Donna Noade-Reardon (Mayor, City of Saint John): Good afternoon, members of the committee. Thank you for the opportunity to address you today on this critical issue for the city of Saint John.

I am Mayor Donna Noade Reardon, and I'm pleased to be here on behalf of our city to introduce this topic.

First let me say that we commend the federal government and this committee for your leadership and action on the affordable housing agenda. We welcome this opportunity to engage with the committee to ensure that the needs of smaller cities like Saint John are front and centre in the design of the housing accelerator program.

I would like to pass the floor to our city manager, John Collin, to deliver our remarks.

Thank you.

Mr. John Collin (Manager, City of Saint John): Good afternoon, members of the committee. I am indeed honoured to be here speaking on behalf of our community, and I will, of course, limit my comments to the Saint John perspective.

When it comes to affordable housing, the city of Saint John is in crisis. We estimate that in 2021, home ownership was not achievable by 60% of the households in Saint John, and approximately 40% of our very large rental household community did not have access to affordable housing. We know that affordability issues continue to have a severe impact on the quality of life of our citizens and that the crisis will worsen without intervention. We also believe that there are many more living very close to the line, if you will, and with housing costs on a dramatic upward curve, there is no doubt that our needs for affordable housing will increase significantly in the years to come.

Please allow me to offer a few quick themes.

First, as you develop this program, it is, in our opinion, important that the funding be provided directly to the municipalities without any requirement to pass through the province or to having matching dollars. The need is too great to slow the process down or to leave money on the table because provincial matching dollars or support are not potentially achieved in a timely manner. It is, after all, the municipalities that best understand their local situations and how to solve them.

My next point is on eligibility criteria, which we urge you to make as broad as possible. Every municipality is different and has different needs, so one size does not fit all. Also, as we develop our plans, we are trying to be bold and innovative. Restrictive criteria would limit the creative solutions. Funding should cater to the entire range of possibilities, including the staffing or horsepower for the development thereof.

The program should recognize that smaller cities like Saint John need to take a balanced approach that aligns with innovative urban plans that do not place unnecessary burdens on the private sector to build the much-needed supply and that keep us nimble and quick through the approval processes. At the same time, we need to ensure that the core housing needs of our most marginalized citizens are met by addressing the entire housing continuum and not just affordable housing.

We would also recommend streamlining funding applications. While we recognize the need for oversight, and we do have a small professional planning team who are able to pursue opportunities, approvals must be quick and easy to achieve. I think we would all agree that the hard work should be in the creation of the solutions and not in the completion of funding forms.

In closing, I will leave you with a few more statistics.

Saint John is now experiencing rents that are comparable with those in mid-sized cities, yet the average family income in Saint John is approximately, and only, about \$66,000 per year before tax. The story is much more compelling, because it's also a tale of haves and have-nots. Over 30% of our renter households make less than \$35,000 a year, and some make much less.

Using a standard definition of affordable housing, which is 30% of total family income, we estimate that our greatest need is for units in the \$500 to \$800 per month range. I would suggest to you that it does not matter how innovative we may be, developers cannot produce these units for that cost per door. We simply do not enjoy the economy of scale that larger cities may have and use to

drive down construction prices. We need significant direct funding assistance and special programs, and the time for them is now.

I am joined here today by our commissioner of growth and community services, Jacqueline Hamilton, and between her, the mayor and me, we would be pleased to answer any questions you may have.

Thank you.

• (1220)

The Chair: Thank you, Mr. Collin.

We'll go now to Mayor Taylor of Newmarket for five minutes.

John Taylor (Mayor, Town of Newmarket): Thanks very much.

I'm here speaking as the mayor of the Town of Newmarket—we're about 90,000 people—and as a member of York Regional Council. That's about 1.2 million people.

I'm also here as the chair of Housing York. Housing York is our regionally owned housing corporation and is responsible for providing housing for residents with low and moderate incomes.

We have about 43 community housing providers that we work with in York Region. We manage and maintain just over 2,700 homes in 36 properties across all nine cities, towns and townships, and we're providing subsidized and market rental options for more than another 4,500 residents. Our properties are very well maintained, and we're financially sustainable in each property.

York Region residents, like residents across the greater Toronto area and other parts of the country, have seen unprecedented affordable housing challenges. Ownership affordability is out of reach for most households.

This is a very important piece here. Recent analysis has shown that in 2021 less than 1% of the new ownership supply—and we're talking about supply a lot today—was affordable to households with incomes at or below the sixth income decile. That means 60% could afford only 1% of what was built, and that's for those who earned \$132,000 a year or less. They could not afford anything but that 1%. Ninety-nine per cent was out of their reach.

We also have a rental housing challenge in York Region, a massive one. As the 2016 census found, we have low supply. York had the lowest proportion of rentals in the GTA, and we have an affordability challenge, with 52% of renters spending more than 30% of their income on housing. We have seen growth in the purpose-built rental market, but only 275 units were constructed in 2021 for a population of 1.2 million.

We also have a historic deficit of community housing, limiting our ability to provide homes for people living on low incomes. Compared to other large municipalities in Ontario, we have the lowest proportion of historical community housing supply. We have a 15,000-household wait-list. That wait can be up to 11 years on average. We're able to offer subsidies to about 350 applicants per year, but the wait-list grows by about 760 applicants per year.

To respond to these issues, York Region Council declared a housing crisis in 2021 and initiated a housing affordability task force to identify solutions. Like most municipalities, we're doing our part, including increasing the community housing supply by more than 1,200 units since 2006.

We've funded 66% of the capital costs for new supply from the municipal tax base, with the federal and provincial governments funding the remainder. We're providing grants to offset development charges for not-for-profit housing developments, and we're setting ambitious goals to double the supply of community housing developments through Housing York's strategic plan.

We're accessing available federal programs, including the co-investment fund, where we've had some success, and the rapid housing initiative, where our application unfortunately was turned down twice due to program demand—again, 1.2 million people and two applications turned down.

We've introduced a regional development charge deferral program for market rental housing developers to add to the purpose-built rental supply, which is working somewhat, and we're creating a community housing development master plan to establish a development pipeline to increase Housing York and non-profit housing supply.

Those are just a few examples of what we're doing. We know that it takes an all-of-government approach, and we know that there isn't just one solution, of course.

We were encouraged to see the 2022 federal budget focus on housing affordability, including commitments to restructure the rental construction financing initiative to require deeper levels of affordability and updating the co-investment fund to provide an increased share of grant funding over loans.

The success of these programs in York Region has been limited. They require proponents to access funding on a project-by-project basis, making it difficult to plan for the long term. We also continue to receive cost-shared funding from the federal and Ontario governments, but it's a fraction of what is needed to address our housing priorities and is expected to decline in the coming years.

We were also encouraged to see that the budget committed to a \$4-billion housing accelerator fund with the goal of 100,000 new homes across Canada by 2025. We're increasingly hearing that more supply is needed to address affordability and ensure we can accommodate our growing population.

As you consider the design of this program, there are some key principles to keep in mind, please.

The complexity of the issue and the wide-ranging needs of Canadians make it critical for the federal government to be clear in identifying the issue the accelerator is trying to solve. What type of

housing will the program accelerate and how will that be accomplished? We need to accelerate the right type of supply. This includes affordable and family-sized housing.

One lesson learned to date since the launch of the national housing strategy is that government investments should be targeted based on needs. In York Region, while we've added supply to meet growth targets, prices have continued to escalate, suggesting that demand factors also pose an issue. We are required by the Planning Act of Ontario to have a three-to-seven year supply. We have a 4.5-year supply.

These homes are not affordable, and the problem will worsen as construction and labour costs continue to escalate. We've also found in the region's monitoring that new homes that meet the provincial definition of affordability tend to be one-bedroom investor condos. Housing options for families, including for first-time homebuyers, are increasingly limited. Actions that focus on increasing supply without affordability requirements miss addressing demand factors, including the impact that speculation has on the market.

● (1225)

Through the accelerator, the federal government should incentivize the supply we need most—ownership and rental housing in particular for low- and moderate-income households. This can be achieved by attaching affordability requirements and size standards to the funding. The accelerator could require municipalities to adopt inclusionary zoning policies, which are often the only tool available to require developers to build affordable supply.

If the government is providing per-door funding through the accelerator, allowing municipalities to use the funds to ensure inclusionary zoning can provide deeper affordability and sufficiently sized homes for families. The program won't be successful if it secures only small one-bedroom units.

Second, a Canada-wide housing accelerator needs to be flexible. While the 2022 budget spoke to up-front funding for investments in municipal planning approvals, many municipalities experiencing growth pressures, such as York Region and several of its local municipalities, have already updated their technology and business processes. The Province of Ontario has also offered financial support for similar initiatives.

The accelerator needs to be flexible enough to support municipalities that have already made these improvements to allow us to use the funding for other supply-related alternatives. These could include tools like funding to offer fee waivers or rebates for development charges, permit fees, HST, land transfer taxes, funding for pre-development work and capital gains, etc. A one-size-fits-all approach will not work.

• (1230)

The Chair: Mayor Taylor, I have to ask you to conclude your remarks shortly.

Mr. John Taylor: I want to summarize by saying that the housing accelerator fund is one part of a much bigger program in which a variety of approaches are needed to accelerate transitional housing, rental housing, subsidized units, portable benefits, housing trusts and affordable ownership. Each of these approaches must be accelerated in order for us to begin to claim progress in our efforts to provide affordable housing. That is why I have stressed the need for a flexible program so the accelerator fund can work with and support a variety of approaches to housing affordability.

I have been at the community level for 15 years working on each of these approaches to providing affordability, sometimes successfully and sometimes not. Let me stress that this is not just about increasing supply, and it is certainly not just about improving the municipal process. It is about the need to invest significantly in many different approaches to affordability. It's about providing a variety of housing types and tenure to meet the different needs of a wide variety of residents.

I'll stop there. Thank you.

The Chair: Thank you, Mayor Taylor.

We'll now go to Mr. Liepert for six minutes.

Mr. Liepert, you have the floor.

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

Thank you to the witnesses for attending today and to all of those who are participating in this study. I've listened quite intently through the various presentations over the past couple of weeks.

I want to take a little bit of a different approach to the questions today, because many of the presentations are quite similar. Almost all ask for more money. Almost all cite issues with money getting to where it needs to go. Most cite bureaucratic hiccups along the way. I believe that the rental market and the purchase market are very much tied. If rents are high, then that impacts the price of a home.

I know that as Conservatives at this table we're probably in the minority. In fact I'd say we're probably the only party that sits at this table that doesn't believe that government is the answer to everything. In fact, I believe many of the issues that we find ourselves in today are due to government getting itself in the middle of where it shouldn't be.

The one issue I want to throw out here today, which I haven't heard anybody talk about—I don't think I've heard one single presentation mention it—is the issue of rent controls. I don't know

which provinces have rent controls and which ones don't. I do know that Ontario does, because they apply to the apartment I rent in Ottawa as a member of Parliament. I know that in Alberta, for example, we've always resisted the idea of rent controls, and I don't think our housing problem in Alberta is anywhere near as dire as what has been presented from other parts of the country.

I'd like to hear a little bit more about what each one of the presenters thinks about rent controls and what impact rent controls have on the housing market in their particular province. I'll start with the Mayor of Newmarket.

Go ahead, please.

Mr. John Taylor: Thanks very much.

I'll be quick. I'm no expert in this area, but I will say that I've spoken with a number of people—private developers—who are either attempting to produce or are producing market-rent buildings. I would say it's a fine balance. With no work or legislation related to having rent controls, it is very difficult to provide anything close to affordable housing. At the same time, there is certainly no question that it does pose a considerable concern for those developing purpose-built rental housing with respect to the impact it can have on the viability of their project.

What I heard in the end though was that most of them would be comfortable with the rent controls if they would just be stable and predictable. They would like to see governments—one government to the next government to the next government—not constantly changing the rent control rules and regimens so that they know what they're dealing with and their pro formas can reflect that. So, I think I would say that a multi-multi-year stability in approach to rent controls is very valuable, but it certainly is a concern to those building and we need the supply to increase as well. It's a fine balance.

• (1235)

Mr. Ron Liepert: I think someone had their hand up, but I'm not sure.

Are there any other comments to make?

The Chair: Mr. Collin.

Mr. John Collin: If I may again, this is John Collin, city manager in Saint John.

When it comes to rent controls, I agree it is a fine balance. One thing to consider for smaller communities such as ours is the reality that we do not have a plethora of developers. Therefore, anything we do that affects their bottom line would cause them to reflect as to whether or not the development is worth proceeding with or whether they ought to go elsewhere for that development.

Rent controls can be a double-edged weapon if you are not careful, and certainly, from our perspective, we are carefully looking at the challenges associated with rent control. We may solve one problem and create a larger one in the process that dramatically affects our supply.

The Chair: Thank you.

Go ahead, sir.

[*Translation*]

Mr. Benoit Dorais: I think there does need to be a balance. We must ensure that a lot of housing units are created. The number of units on the market needs to be increased, but it must also be possible to take action on, or control, prices.

There must be a balance. However, eliminating rent control is not a solution in my opinion. It's really about striking a balance by boosting supply and controlling prices for some of the population.

[*English*]

The Chair: You have 35 seconds, Mr. Liepert.

Mr. Ron Liepert: Thank you, Mr. Chair.

I would like to throw one other thing out there, and somebody can comment on it quickly if they would like to.

What factor does Nimbyism play? In Calgary, we had a real issue with initiatives to develop things like basement suites, yet it was opposed by the neighbourhoods.

Would anybody like to comment on that?

Mr. John Taylor: I'll say something really quickly.

I hear this conversation all the time. It exists. It's a factor. But I think it's considerably overblown what role it plays in building purpose-built, affordable rental housing, etc. I think it's a much, much smaller consideration than it once was.

The Chair: We have to conclude with that.

We'll now go to Mr. Long for six minutes.

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

Thank you to our witnesses this afternoon, especially the ones from my riding of Saint John.

As a member of Parliament in this riding, certainly one of the most frustrating things I've seen and dealt with are the lack of affordable housing units and the crisis that we're in with respect to affordable housing. I'm certainly pleased to hear our mayor and you, Mr. Collin, recognize that it is an emergency.

We've also heard consistently through the testimony so far that we need to get money in the hands of municipalities and cut through the red tape. Again, we've heard and we've learned who knows better how to invest that money and who should have their own strategies to deal with their own unique situations. Obviously further to that, we certainly know that not all municipalities are the same. They have different needs.

My first question is to Ms. Hamilton or Mr. Collin.

Share with the committee how that money could best be used. I won't lead you, but could it be invested in land or administration, what have you?

Mr. John Collin: If I may, Mr. Chair and members of the committee, the short answer to that question is through a variety of different ways. I do not believe there is one Holy Grail that will solve the affordable housing crisis in Saint John. We need to take a look at it all, from subsidies to land acquisition, to special training pro-

grams for developers and architects to find ways to drive costs down, to increasing horsepower in staffing to get the programs moving forward to keep our very enviable permit turnaround times and zoning change times to reasonable levels to achieve the supply. There are a variety of different aspects.

During my opening remarks, I commented, please keep the number of criteria to a minimum. I'll be a bit cavalier to conclude my remarks by saying that the only criteria I believe should be in place is that the municipality have a plan, have a well-thought-out plan—period. If that is the case, then let the municipality look at all of their different innovative approaches to solving their problem.

Thank you.

● (1240)

Mr. Wayne Long: Thank you for that, Mr. Collin. I want to drill down on that with you a little more, though.

Certainly, in my experience, we can get money from the federal government to a municipality through the federal co-investment fund, which we launched a few years back, or the rapid housing initiative, which has had great success, and certainly is over-subscribed, but... We recognize as a federal government that we need to do more. We can't wait for the provinces to move on their affordable housing money to something that has to be matched by the federal government.

Can you elaborate a bit more? Again, from the City of Saint John's standpoint—and I certainly recognize that you have an affordable housing action plan—can you give us some recommendations as to what the accelerator could do to help you move that affordable action plan forward?

Mr. John Collin: First of all, in terms of distributing the money, I respectfully suggest that maybe stealing a page out of the gas tax fund approach would be useful, where the money is provided directly to the municipalities. We've spoken about that.

What could it achieve for us? At the end of the day, we have to get the cost per door down. Without the cost per door coming down, rents will simply not be in that 30% of total family income, which is a good measure for affordable housing.

How do you get the cost per door down? You come up with clever land acquisition schemes. You come up with building incentives. You come up with special training programs to design and develop buildings that are less costly to build.

We can do all of those things within the affordable housing plan. The beauty of such an approach is that you can also roll in all of your key stakeholders within the municipality—not-for-profits that have been doing this for a very long time—and you can align your efforts so that you take advantage of the strengths of all of the various entities within a municipality to drive the cost per door down.

Mr. Wayne Long: Thank you.

Mr. Chair, I'd like to share the rest of my time with MP Van Bynen.

Mr. Tony Van Bynen (Newmarket—Aurora, Lib.): How much time do I have, Mr. Chair?

The Chair: You have one minute and losing....

Mr. Tony Van Bynen: Thank you, Mr. Chair.

I'll direct my questions to Mayor Taylor.

We've heard a lot about how the funding should go directly to municipalities.

My question for Mayor Taylor is this: What kind of criteria do you think we should be using to determine which municipalities would be able to access funding?

I'm saying that in this context. You have single-tier municipalities. You have large metropolitan areas. You have municipalities that have regional oversight. How do we go about selecting which municipalities should be candidates for funding?

The Chair: We need a short answer.

Mr. John Taylor: I think the money should go to the service provider. In Ontario, that means either the large single tiers, such as Toronto, or the regions, such as York or Peel. They have the expertise, the sophistication and the staff resources to make sure this money is being used in the best possible manner, and they have multiple ways of deploying it in the appropriate areas of need at that time.

Mr. Tony Van Bynen: Do I have a few seconds?

The Chair: You have four seconds.

Mr. Tony Van Bynen: I'm done.

The Chair: You'll have to speak to Mr. Long.

[*Translation*]

Ms. Chabot, you have six minutes.

Ms. Louise Chabot: Thank you very much.

I thank the witnesses for their comments.

Mr. Dorais, I'd like to give you the opportunity to talk to us about a topic that you haven't had time to address, but that you would like to talk about. It's related to the study before us.

The objective of the federal lands initiative is to identify properties owned by the federal government that can be made available to municipalities or other stakeholders to increase the supply of housing.

What is your opinion on this?

● (1245)

Mr. Benoit Dorais: Thank you very much for allowing me to address this issue. I ran out of time.

What I said is that the initiative makes a lot of sense and is very good. However, there is a lot of obscurity surrounding the program. It's very hard to get information about it. We're in the city of Montreal, which is a large Canadian city, and we're unable to get the location or type of lands available, or find out whether they're contaminated or what the terms of acquisition are. It's not possible.

According to the website we're referred to, there's unfortunately no land. It's indicated that there's none. However, there certainly should be some. It's very difficult.

As well, the government should also ensure that the lands managed by the Canada Lands Company are available for the creation of social, community and affordable housing. That's currently the case in Montreal with the Peel Basin. The City of Montréal has established an entire plan for that area of Cité-du-Havre. Unfortunately, the land is not designated as a priority for the construction of social and community housing.

One of the first very important contributions of land that could be made would be those lands held by the Canada Lands Company. The City of Montréal could then house thousands of Montrealers.

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

I'd like to ask you some other questions, and time is running out fast.

You talked a lot about construction. As we know, the labour shortage has led to supply delays, among other things.

Other witnesses have told us that it is better to purchase housing units, particularly in Montreal, instead of building new ones. According to a social economy approach, the acquisitions could be dedicated to affordable housing, which is more sustainable.

Do you think that's a good idea? Will they be able to be built? Construction can take a number of years, but there's currently a housing shortage. How can the gap be reduced between housing demand and supply.

Mr. Benoit Dorais: I totally agree. I think we need the right mix of the two.

The city is already in construction mode, in terms of its by-laws and new programs and in terms of the rapid housing initiative—the RHI—the AccèsLogis Québec program and the AccèsLogis Montréal program, among others.

The construction pipeline needs to be fed. What can be done right away, given that the construction of new housing units can take time, is to socialize housing, in other words, remove housing units from the market logic and purchase and renovate them. The City of Montréal believes in that. As well, line 3, the innovation line—a program for social, community and affordable housing—has already been funded. Funding has been provided to organizations that purchase real estate complexes, that can renovate them, within a certain amount of time, and that ensure that the affordability is sustainable.

Of the 60,000 housing units that the City of Montréal wants to offer over the next 10 years, a significant proportion will be social housing. It must be possible to acquire and maintain affordable housing, so housing that is not expensive.

Ms. Louise Chabot: The \$4 billion in funding is important, but it will be divided across Canada. Within five years, it will support the efforts by the City of Montréal, which are quite well documented.

I will conclude by saying that I'm nonetheless concerned to hear Mr. Dorais and other witnesses mention that the funds should be allocated to the municipalities.

Quebec has the Société d'habitation du Québec, and the importance of its program is well known. There are 1,107 municipalities in Quebec that are part of it. I could talk at length about Tadoussac, where the housing crisis is very well documented. It even affects several municipalities with 800 residents.

If the funds were allocated directly to the municipalities, there would clearly be a problem in relation to equity. What do you think?

Mr. Benoit Dorais: I think it would be beneficial to have a portion of the funds reserved for large municipalities. If my memory serves me, Mayor Taylor mentioned that the resources and expertise are there, that action can be taken.

That said, 50% of the funds should be reserved for all other municipalities, which could work with partners. It's entirely possible. I know there may be a housing crisis in Tadoussac. There is a housing crisis across Quebec, not just in Montreal.

● (1250)

The Chair: Thank you, Ms. Chabot and Mr. Dorais.

[*English*]

We'll now have Madam Zarrillo for six minutes.

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

I'm not sure if my headset will be appropriate.

Can you just check the sound? If not, I'll have to cede my time.

The Chair: I can hear you fine, but we'll wait for the translation.

Ms. Bonita Zarrillo: All right. I'll speak again.

Mr. Chair, can you just verify that this headset will be appropriate or adequate?

The Chair: Yes, she gave a thumbs-up....

No, Madam Zarrillo. No, we're getting a thumbs-down. They cannot interpret that.

Ms. Bonita Zarrillo: No worries. I'll cede my time.

Thank you, Mr. Chair.

The Chair: Thank you, Madam Zarrillo.

We will remind members that they need the House of Commons headset to participate.

We'll now go to Mr. Ruff for five minutes.

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

I have some simple questions right off the get-go for all the witnesses. I'm looking for almost yes-or-no feedback to get us going.

First off, could each of the cities could provide, number one, the number of housing units and rental units that they're short and, number two, the average household price and rental price for the respective communities? Number three, do they have any land in

their municipalities that meets the federal lands initiative, yes or no?

Could we could start with Newmarket, please?

Mr. John Taylor: I'm not sure I'm talented enough to remember all of them and give yes or no answers. I apologize.

I don't believe we have a shortage of housing supply. I would urge this committee not to make this all about housing supply and municipal process. We are short to uncertain on subsidized housing. As I said, it's a 15,000-person wait list. Our average rent is about \$3 a square foot. Our average home price is about \$1.3 million.

Finally, in terms of land, I'm not sure what criteria you referred to, but I can tell you this: I believe that dollars to purchase land should not be supported. Government, at all levels, has the land needed, either in raw form or for intensification purposes. That land should come from government at no cost. That's why I moved a motion, successfully, at York Region, on each city and town in the region providing two acres of land every five years for an affordable housing project. We're moving that forward.

Thank you.

Mr. Alex Ruff: I will ask Montreal.

[*Translation*]

Mr. Benoit Dorais: Unfortunately, I can't give you the exact number. That said, we would be pleased to forward it to you.

It is important to understand that there are 28,000 people on the wait list for social and community housing in the city of Montreal, so there is certainly a very real need.

I would be pleased to forward you the requested information.

[*English*]

Mr. Alex Ruff: Thank you.

I will ask Saint John.

Mr. John Collin: The City of Saint John can provide the committee with our entire housing needs assessment, which was recently completed. It lays out a number of the figures you're seeking. The short answer is, there are well over 2,000 on the waiting list, and I referred to the fact that we have many who are just on the line, on top of that. That number will be going up.

In terms of land, there is no shortage of land in the City of Saint John. We can find the land necessary to build the units, but we are also fixed on mixed neighbourhoods. Therefore, it becomes a challenge to make the necessary lands available in all the various neighbourhoods.

Mr. Alex Ruff: Thank you.

Yes, it would be great if all the communities could get that data sent to the committee.

One of the interesting things that previous witnesses brought up is the fact that the mandate letter to the minister says the housing accelerator fund is directed toward the larger cities. We've received confirmation since, in the budget, that it is going to be for smaller and rural communities.

Recognizing that the three municipalities represented and testifying here today are all considerably larger than those in my neck of the woods—my largest city, Owen Sound, has only just over 22,000 people—my question is this: What percentage of this funding from the federal side should be broken down and protected for smaller and rural communities?

I'm interested in Saint John's take first, as it's the smallest community represented here today at this testimony, I think.

• (1255)

Mr. John Collin: If I may, I'd like to piggyback on Mayor Taylor's comment. I think it should be primarily focused on service providers. A lot of the smaller communities are provided the service of housing from larger regional entities, etc. In New Brunswick, we don't have a regional government structure, so it's the cities themselves.

I believe there needs to be some sort of mathematical calculation for all the various service providers—at whatever level of municipal government—to make a determination as to what their proportionate share should be within their communities.

Mr. Alex Ruff: I will ask Newmarket.

Mr. John Taylor: I would generally agree. I don't think it's the size of the community. It's the role the community plays, whether as an urban centre for surrounding smaller places, or as a service provider. However, if many small municipalities that aren't really “in housing” and don't have the expertise or housing staff are trying, all of a sudden, to grapple with this, it would be inefficient and probably won't lead to the best use of dollars.

We serve communities around us. There are service providers that can do it for the entire catchment area, and do it well.

Mr. Alex Ruff: I'll ask Montreal quickly.

[*Translation*]

Mr. Benoit Dorais: I've already mentioned that 50% of the federal funding should be reserved for large municipalities and large cities in Canada, and that 50% should be allocated among the other municipalities. The reality in Quebec is different in the regions.

[*English*]

Mr. Alex Ruff: Thanks, Mr. Chair.

My final comment to Mr. Collin is that it's good seeing you again.

The Chair: Thank you, Mr. Ruff.

Now we'll go to Mr. Long to conclude this hour's questioning.

Mr. Long, please go ahead for five minutes.

Mr. Wayne Long: Mr. Chair, I'll cede my time to MP Van Bynen.

The Chair: Okay.

Mr. Van Bynen, you have five minutes.

Mr. Tony Van Bynen: Thank you, Mr. Chair, and thank you, Mr. Long.

Mayor Taylor, as a mayor of a municipality, could you share with the committee some of the main challenges facing the municipalities that impact the processing of construction applications? We keep hearing that there's too long of a development cycle.

How can the federal government support municipalities to accelerate the housing construction process? Only as three examples, could there be things like changes to building codes which would require secondary dwelling units; should we fund additional staff for processing applications; or should we fund something along the lines of an end-to-end process review to streamline the development processes at the municipal level?

Mr. John Taylor: I would quickly say none of the above. I think it's an absolute myth that has developed and caught hold in Ontario and in the media that the problem with supply and affordability has to do with municipal processes. I utterly reject that concept.

If you wanted to direct money to support, let's say, the housing provider, in a very specified way that wasn't around actual building, I would do it in a way that provided dollars to service providers or larger urban centres to support not-for-profits to work through the process themselves. They struggle with planning and with architecture fees and with the capacity to do it.

There are a lot of not-for-profits and faith-based groups out there who want to step into this need, but don't have the dollars and sophistication to do it. If we were funded to support them, we could maybe accelerate some housing that way.

However, I believe strongly that spending \$4 billion to try to improve municipal process is really not the right way to go.

Mr. Tony Van Bynen: I will cede my time to Soraya.

[*Translation*]

Ms. Soraya Martinez Ferrada: I want to thank my fellow member.

My question is for all the mayors, but I'd first like to hear Mr. Dorais's response.

I'm pleased to see my former colleague again virtually, in Ottawa.

My question will be about funding provided to municipalities. All three of you mentioned how important it was for the funding to be given directly to the municipalities, because they are familiar with local problems and needs. None of you mentioned the Federation of Canadian Municipalities, the FCM, and I would like to have your opinion on something.

Could the FCM be a useful vehicle for distributing the funding to municipalities, while respecting the issue of rural areas compared with large urban centres?

I give the floor to Mr. Dorais.

• (1300)

Mr. Benoit Dorais: Thank you very much for your question. It's also a pleasure to see you again virtually.

I wouldn't be opposed to the idea of the FCM being a vehicle or entity. That said, I admit that I don't see the benefits at first glance. Certainly, I think that municipalities should receive funding through as few intermediaries as possible. In Quebec, there's certainly a specific characteristic related to the Privy Council.

Ms. Soraya Martinez Ferrada: At this time, in your opinion, how could the money be provided directly to municipalities in Quebec, for example?

How could that be done?

Mr. Benoit Dorais: Indeed, that's the difficulty that we often see in Quebec. There are exceptions, of course, that can be obtained from the Privy Council. It might be necessary to look at the terms with the FCM. That said, the exercise is still quite cumbersome concerning a number of FCM and Canadian government programs.

There are certainly some benefits. It could be analyzed more carefully. The FCM may be a useful intermediary. That said, it doesn't resolve everything. There are still glitches for some programs in which the FCM is the intermediary.

Ms. Soraya Martinez Ferrada: Thank you.

What do the other witnesses think?

[English]

Mr. John Collin: If I may, Saint John thinks very highly of FCM. In fact, they have funded several consultant-type projects for us, albeit not necessarily to do with affordable housing. I don't personally see a need for another intermediary, and I'm not sure they would have the staffing horsepower to act as that intermediary, in any event, for a project as large as the housing accelerator program that we're speaking about here today.

There's still very much a strong preference to finding a way for direct funding from the federal government into the municipalities, without additional intermediaries and without additional documentation and justification required to all sorts of different entities.

The Chair: Thank you, Madame Martinez Ferrada.

Thank you to all of the witnesses for appearing today and for providing the valuable testimony that you have during your time in this meeting. You can see that an hour is a short period of time for this very important topic.

Before the committee adjourns, I would ask for a few minutes on committee business to consider a request that this committee has received from FINA.

The witnesses may leave.

Committee members, could you give me your indulgence for five minutes?

On Thursday, FINA, the finance committee, adopted a motion inviting HUMA to consider the subject matter of part 5, divisions 26, 27, 29 and 32, of Bill C-19. This would have to be done by Friday of next week, if we are going to consider it.

The finance committee will still review the sections of the bill in clause-by-clause, amend it where they choose and approve it. HUMA is being asked to review it and provide recommendations, if we so choose. Having said that, if we're going to do it, we would possibly have to sit during the constituency week.

I'm at the direction of the committee members. The finance committee will still review it.

Madame Chabot has her hand up, and next is Madam Kusie.

We have Madame Chabot.

[Translation]

Ms. Louise Chabot: As you know, this is a 500-page bill with a lot of sections. It's referred to as an omnibus bill, but it's the budget implementation bill.

The provisions in question, divisions 26, 27, 29 and 32 of part 5 of the bill, are related to employment insurance. In my opinion, it's entirely appropriate for the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities to examine this part and hear from witnesses.

The Standing Committee on Finance is correct in offering us the opportunity to study these sections. I agree with that.

• (1305)

[English]

The Chair: Go ahead, Madam Kusie.

Mrs. Stephanie Kusie: Thank you, Mr. Chair.

I agree with my colleague from the Bloc that this is relevant to our committee, but I think the time frame is very unfair. Two weeks is not a lot of time, really, for this, and for the weight of the issues that we're considering.

I'm seeing nodding in response to that point.

With regard to EI and EI benefits, as my colleague pointed out, they're amending the Canada Labour Code. These are significant things. As well, I'm sure it's very important to Ms. Zarrillo, as the EI appeal board is something that will allow those whose claims are denied to have their opportunity to say....

This is significant. I think it merits not only our rescheduling of the meeting on Thursday to evaluate this, but also two meetings next week. I think three would be the bare minimum that we could do to provide justice to this issue. I also think, when we're dealing with such sweeping, impactful legislation, that the ministers have to be accountable. In my opinion, that includes Labour, Finance and ESDC.

Mr. Chair, I really don't want to waste a lot of time going back and forth. I think Madam Martinez Ferrada is always pretty clear in her mind about what her team has been informed of and what they're willing to do. I'm asking for three meetings.

I'm seeing agreement here. I can't tell from Madam Zarrillo on the screen.... Then, as I said, those three ministers....

Could Madam Martinez Ferrada respond as to what the government had in mind? If they put this time frame in front of us, then I'm sure they have an idea as to what they're willing to do. Then, I guess, we'll leave it to the decision of the committee to decide if they find acceptable what the government suggests, which I hope will be what I've suggested and what this merits, especially given the time frame.

Thank you, Chair.

The Chair: Just before Madam Martinez Ferrada comments, we do realize that meetings could be scheduled only if support is available for the committee.

Mrs. Stephanie Kusie: Yes, and to that, Chair, government business always takes precedence, so I do hope the clerk will recognize that as well.

The Chair: We can put the request in if the committee chooses to meet on this—

Mrs. Stephanie Kusie: Okay.

The Chair: —because we can just hear witnesses on this and provide input. We cannot amend or change anything through the process.

Are there any other comments?

[*Translation*]

Ms. Soraya Martinez Ferrada: Mr. Chair, from what I understand, we would need to hear from witnesses and submit our recommendations before May 27, which would not give us much time. I don't see how we could add three meetings to the schedule, given the committee's resources. Indeed, it's an important topic, but I don't even know if we could add a single meeting to the schedule. It's not that I'm not willing. The problem really is the schedule and availability of House resources.

Now, it might be something that the committee could study in the future. Regardless, we could not make any amendments to the measures to be studied in committee. I therefore propose that we put forward a committee motion on this and that we come back to the discussion later. However, I don't see how we could do it within the time proposed.

In closing, it must be remembered that this is being studied by the Standing Committee on Finance, which is at the stage of clause-by-clause consideration.

[*English*]

They are spending all their hours next week to do this before May 27, where all the parties are represented.

The Chair: They're sitting all next week on reading the clause-by-clause.

Ms. Soraya Martinez Ferrada: They are sitting long hours to do this clause-by-clause, and all parties are represented there.

The Chair: I have Madam Kusie, then Madame Chabot and then Mr. Ruff.

Mrs. Stephanie Kusie: Again, I feel very strongly that it was your government that created this short timeline, and you have to allow for the House of Commons to do its work prudently. If this was referred to us, we have an obligation as a committee to do the work. Two weeks isn't enough.

The will we've seen from the Bloc already is that it's important to the committee. I hope Madam Zarrillo feels the same. I don't buy this “we don't have a lot of time”: That's on your government for not giving us the time to examine it.

I feel that it's your obligation as a representative on this committee to ensure we are given the time and the resources to evaluate this at the level that this responsibility was given to us. My office found out about it this morning. It's not fair. In its unfairness, you should allow the committee, in every way possible, to do the work we've been charged with. I think that's the minimum you and your government can do, given the last-minute way we received this and the amount of time.

If you're not willing to, then, as I said, that's something.... We'll see how the rest of the committee feels. We'll see the outcome of it, but it's just.... This is on you. Your government can give us the time if they think it's appropriate.

• (1310)

The Chair: Just for clarification, the motion was approved late on Thursday, and all parties were present at that meeting, so we knew when everybody else knew. So be it.

Go ahead, Madame Chabot.

[*Translation*]

Ms. Louise Chabot: That's true, Mr. Chair, but to my knowledge—correct me if I'm wrong—we have not received any communication from the clerk to inform us of it. We have just learned of it. I learned about it five minutes before you mentioned it.

I propose that the committee in fact study the four divisions of the bill that are related to employment insurance. Clearly, it will not be an opportunity to do a full review. We're still waiting for it. I propose that the meeting on Thursday, and another meeting next week if needed, be dedicated to a study of these four divisions and that we hear from witnesses. I think that will allow us to do this work.

Thank you.

[*English*]

The Chair: Mr. Ruff, you had your hand up, and next is Madam Martinez Ferrada.

Mr. Alex Ruff: I just want to emphasize what exactly the instruction was to us all from the committee late last Friday afternoon. The finance committee referred this to us. As you know, they have a 500-page plus budget implementation act to review. We're the experts when it comes to this committee. We have the appropriate witnesses and level of review needed to provide those recommendations back. It's actually very responsible of the finance committee. I don't know which other committees were given the responsibility to dig into things, but that's our job: to dig into it and do our part. We need to do as much as we can before the deadline they gave us, so let's get to work.

The Chair: Go ahead, Ms. Martinez Ferrada.

Ms. Soraya Martinez Ferrada: My understanding is that the finance committee will study this clause-by-clause. All the same witnesses will be at both the finance committee and ours, so we're doubling the witnesses and the work the finance committee is doing. My understanding is that we cannot decide which clauses we're studying. The finance committee will send those to us, if we want them. Those are the ones we can study, but the same witnesses will be at the finance committee. I don't see how we can have three meetings between now and May 27 if all the same resources will be supporting the finance committee.

Again, to your point, all parties are represented at the finance committee, so we're actually going to be doubling the witnesses' time and the clause-by-clause study.

The Chair: I believe Madame Chabot had her hand up, then we'll go to Madame Gladu and Mr. Ruff.

I'll remind the committee that we've gone beyond our timeline. We will adjourn shortly if we do not come to a conclusion.

[*Translation*]

Ms. Louise Chabot: Mr. Chair, with respect, if the Standing Committee on Finance felt the need to call on our committee, the Standing Committee on International Trade and the Standing Committee on Industry and Technology, it's to ensure that we can study the issues related to our area of expertise.

I would not find it diligent to refuse to help the Standing Committee on Finance under the pretext that it would still be doing the work. Since it is referring issues related to employment to us for study, I'm of the view that we should take the opportunity. In fact, I applaud the Standing Committee on Finance for doing this.

In my opinion, if we hold two meetings with witnesses, we could do the work. It would be a matter of scheduling one next week and dedicating our meeting on Thursday to this study.

I would be prepared to vote, Mr. Chair.

• (1315)

[*English*]

The Chair: Okay, I'll call the question.

Let's be clear. What is the motion on the floor?

Mrs. Stephanie Kusie: I can do it.

The Chair: Okay, please move a motion. I didn't get a clear motion from Madame Chabot.

Mrs. Stephanie Kusie: I will move two motions. I will start with one.

My first motion is that HUMA meet three times between today and May 26.

The Chair: Okay, you have heard the motion.

I see no discussion. We'll have a vote on the motion that HUMA schedule three meetings between now and May 26.

Ms. Soraya Martinez Ferrada: I want to thank the member for the motion.

I would add to the motion. We depend on resources, so we have to add that in: depending on the resources of the committee to support HUMA on having three meetings.

The Chair: That's a given. We can only schedule a meeting when services are available.

Ms. Soraya Martinez Ferrada: Exactly. If you have a motion that we study what is submitted to us clause-by-clause before May 27, and we don't do it, we're not responding to the motion we voted on. I'm just asking that we check with the clerk about whether we can have support for three meetings between now and May 27.

The Chair: The clerk will advise me, the chair, on whether we can schedule that. If we cannot schedule it, I will advise the committee.

The Clerk of the Committee (Ms. Danielle Widmer): It's also a matter of service availability, as well. I will make the request to the individuals responsible for service and make sure that all of the services are available.

An hon. member: But when they're organizing services, does government business take priority or not? There isn't a standing policy [*Inaudible—Editor*].

The Clerk: I'm not too certain about that. We have to look at services and what is scheduled that day. I can make the request and see if the services are available that day.

Mrs. Stephanie Kusie: Okay.

The Chair: Everybody is clear on the motion currently before the committee that HUMA schedule three meetings prior to May 26, based on the availability of services and ability to schedule.

Clerk, we will call a recorded vote.

(Motion agreed to: yeas 11; nays 0 [*See Minutes of Proceedings*])

Mrs. Stephanie Kusie: My second motion is that the ministers of labour, finance and ESDC be scheduled at some time during those three meetings.

The Chair: Is there any discussion?

Ms. Chabot.

• (1320)

[*Translation*]

Ms. Louise Chabot: With respect, the provisions we are discussing concern the Minister of Employment, Workforce Development and Disability Inclusion, not the other ministers.

You are entitled to propose the motion you want.

Indeed, it will be important for staff at Employment and Social Development Canada to be present.

[*English*]

Mrs. Stephanie Kusie: I will make an amendment to have the ministers of labour and ESDC only. I think they are crucial, though, because we have EI, EI benefits, the EI board of appeal and the Canada Labour Code. Those are directly related to HUMA. I think it's completely fair to ask for those two ministers.

The Chair: Is there any further discussion?

Ms. Ferrada.

Ms. Soraya Martinez Ferrada: I would propose a friendly amendment to the motion to say “invite” ministers instead of the wording used.

The Chair: Everybody is clear, and I see no more discussion.

The clerk will call—

Mrs. Stephanie Kusie: What word do we usually use?

An hon. member: Invite.

Mrs. Stephanie Kusie: Okay. Yes, we're inviting them.

Thank you, Chair.

The Chair: Are members clear on the motion before the committee?

If they are, then I'll ask the clerk to call a recorded vote.

(Motion as amended agreed to: yeas 11; nays 0 [*See Minutes of Proceedings*])

The Chair: Madame Chabot.

[*Translation*]

Ms. Louise Chabot: Mr. Chair, I want to apologize.

I said earlier that we had not received the request from the Standing Committee on Finance.

However, Madam Clerk, it seems that we received it late Friday afternoon. I would like to note that I had not seen it.

Thank you.

[*English*]

The Chair: Thank you.

The meeting is adjourned.

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