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Chair: Mr. Robert Morrissey

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• (0815)

[*English*]

The Chair (Mr. Robert Morrissey (Egmont, Lib.)): Good morning, everyone. We are ready to begin.

I'm sorry for the delay. There was an issue and a laptop had to be replaced, but I'm told we're ready to go.

Everybody's been sound tested—those appearing virtually—and we do have a quorum.

I have, to begin, Mr. Fragiskatos.

Mr. Peter Fragiskatos (London North Centre, Lib.): I'll be very quick. We hadn't dealt with this.

Colleagues will remember that we were talking about the Governor of the Bank of Canada, asking them to come and sending a second letter. I think we should simply send a second letter to the governor to make that point.

The Chair: Let's formalize that before we conclude.

Welcome to meeting number 120 of the House of Commons Standing Committee on Human Resources, Skills, Social Development and the Status of Persons with Disabilities.

Before we begin, I want to clarify a few points.

Again, for those appearing in the committee room, please, when you're not using your earpiece, set it face down on the assigned spot. Also, while the microphone is live, please avoid, if you can, touching it to ensure that there is no sound popping, which can be harmful to the translators.

As well, I'll remind you to speak slowly if you can, which benefits the translation.

For those appearing virtually, this meeting is taking place in a hybrid format, pursuant to House of Commons Standing Orders.

You have the option to speak and participate in the official language of your choice. For those in the room, you have interpretation services through your earpiece. You can select which option you wish, through the device. For those appearing virtually, refer to the bottom of your screen and click on the globe icon to choose the official language of your choice.

If there is a breakdown in translation, please get my attention. For those attending virtually, use the “raise hand” icon. For those in the room, simply raise your hand. We'll suspend while it is being corrected.

I would remind everyone to please address all comments and questions through the chair. Wait until I recognize you by name and we will proceed.

This morning, we have one witness with us for roughly the first hour. From the Office of the Federal Housing Advocate, we have Ms. Marie-Josée Houle, federal housing advocate.

Madam, you have five minutes, please.

• (0820)

[*Translation*]

Ms. Marie-Josée Houle (Federal Housing Advocate, Office of the Federal Housing Advocate): Good morning. My name is Marie-Josée Houle.

My role as the federal housing advocate is to take systemic action to ensure that Canada honours the fundamental right to adequate housing. Consequently, I am here today in my role as part of a human rights accountability mechanism.

[*English*]

Thank you so much for the invitation. I'm here today to find solutions.

To end this housing crisis, federal investments must support non-market housing. Here's why. First, non-market housing is fundamental to upholding the right to housing; second, investing in non-market housing is the best use of public money; and finally, the federal government has an obligation to lead.

To start, non-market housing is key to upholding the fundamental human right to housing. Canada recognized the human right to housing in the 2019 National Housing Strategy Act. Today's systemic issues, such as unaffordability and encampments, happen because we don't treat housing as a human right and a public good. Our research estimates that Canada is short 4.4 million affordable homes. Disadvantaged groups are overrepresented in core housing need and homelessness.

This committee has heard a lot about supply and that supply is the answer, but it has to be the right supply, the supply that meets people's needs. The way forward is non-market housing—co-operative, non-profit, public and indigenous housing—that puts people and human rights first. Investing in non-market housing creates permanently affordable, accessible housing for a wide range of people. It protects tenants from unaffordable rent increases and arbitrary evictions. People have more money for food and medicine.

Non-market housing benefits everyone because it's non-inflationary. It protects the land and buildings from speculation. The federal government stopped investing in non-market housing over 30 years ago, and the result is that Canada's housing supply is driven by investors. Instead, we must prioritize non-market housing supply and people's right to housing.

Second, non-market housing is the best use of public money for public good.

[Translation]

The use of public funds to create unconditional incentives for the private sector isn't the solution. That doesn't mean that the private market doesn't have its place. However, every investment of public funds must generate a public good.

[English]

Non-market housing has proven that it remains affordable over the long term. According to a 2022 study, rents at co-ops stayed affordable over a period of nearly 20 years, ranging from 25% to 33% less than similar market-rent apartments in the same city. Meanwhile, our research shows that nearly 30% of private rental buildings have been acquired by institutional investors, resulting in steep rent increases and high eviction rates.

The non-market sector provides the accountability that governments need to effectively target their investments. It has data on how many homes they provide and what they cost. It accounts for government funding. It's governed by volunteer boards accountable to the community. In contrast, the private market offers little data on housing outcomes. There's a lack of transparency around ownership and financialization, and it's accountable to shareholders and to profits.

To ensure that public money is resulting in public good, we need better accountability for taxpayer money spent on housing. We need better data collection to measure long-term results. We need measurement not just of outputs of housing but of outcomes for people based on human rights. We need to prioritize non-market housing.

Finally, the federal government has an obligation to lead the way out of this housing crisis. I know you can do it.

• (0825)

[Translation]

Investing in a housing system that respects human rights is both a wise choice and a government obligation under international law and the National Housing Strategy Act.

The 2024 budget and Canada's housing plan provide for significant investments in non-market housing and an acquisition fund. To

be effective, those investments must be viewed from a human rights perspective and sustained over the long term.

[English]

Canada must implement a short-term plan to double its non-market housing stock from the current 3.5% to 7%. We must aim higher. Our research shows that we need a long-term target of 20% of all units dedicated to non-market housing.

Lastly, it's not just about spending. We must support Canada's non-market sector. That means new approaches to financing, governance, capacity building and approvals so that non-market providers can scale up; embracing community land trusts so that public lands can be used for development by non-market providers; and legislative change so that non-market providers can leverage their assets to build and acquire more properties.

Federal investments must support a plan to grow non-market housing. When everyone in Canada has their right to housing upheld, Canada benefits, our economy benefits, communities benefit and people benefit.

Thank you very much.

[Translation]

The Chair: Thank you, Ms. Houle.

[English]

Mr. Aitchison, you have six minutes.

Mr. Scott Aitchison (Parry Sound—Muskoka, CPC): Thank you, Mr. Chair.

Thank you, Ms. Houle, for being here, and thank you for the work you do.

You just indicated that your analysis indicates that of our housing stock, upwards of 20% should be non-market housing. Is that fair?

Ms. Marie-Josée Houle: Yes.

Mr. Scott Aitchison: That's an indication, then, that you do see a role for market housing in our system as well. You're not opposed to market housing. You just recognize that we need to have more non-market housing.

Ms. Marie-Josée Houle: Yes, absolutely.

Mr. Scott Aitchison: In terms of the impediments of getting that non-market housing constructed and people living in that non-market housing, I would assume you would agree that the cost to build is a big part of that problem.

Ms. Marie-Josée Houle: Yes.

Mr. Scott Aitchison: Those costs are driven by inflation and by government charges and fees at all levels.

Ms. Marie-Josée Houle: Yes, and I have done some development myself over the past, about 15 years ago, so things have changed a lot.

Mr. Scott Aitchison: Can you speak to the impact of local charges and fees and development approval processes to the cost of getting not just market housing built but non-market housing constructed as well? What does that add to the cost of these desperately needed safe homes?

Ms. Marie-Josée Houle: When a proposal is created either to get government funds to build or to just put forward a proposal to be approved for city planning, the architect has put work up front, the contractor has put work up front and the developer has put work up front. While you're waiting for approval, these people haven't been paid, or if they have been paid, there is interest because your project isn't generating money through rents. That has an impact.

The longer it's in that interim period, the more money it costs. As well, with the interest rates being higher, as you've heard from the private market as well as co-ops and the non-market housing sector, it's having a huge impact.

That being said, we have the municipal governments that have an important role to play through zoning and planning powers. At the same time, during my review of encampments, I've heard over and over again that municipalities bear the brunt of the housing crisis but lack the resources and powers to address the root causes.

There is no guarantee that savings from reduced development charges will be passed on to new residents, so that's one thing, whether they're homebuyers, renters or people living in non-market housing. Whatever municipalities or whatever incentives are in place, whether it's tax cuts or funds given, there have to be strings attached, because the development charges do play a really important role. That's income to make sure that you have the housing-related infrastructure in municipalities and that they can support non-market housing.

To say that we just need to cut development charges...where are the municipalities going to make up that loss of funds for these really important things? It really comes down to the federal government and provincial governments. They have to take the lead and provide the resources municipalities need to end the housing crisis.

● (0830)

Mr. Scott Aitchison: If I can continue with this train of thought, it sounds like you read some talking points from the FCM there maybe, but I'm teasing you a little bit.

Clearly, we need all levels of government going in the same direction. You're arguing that we all need to be heading in the same direction, that the cost of government overall is too high and that

we can't make one level of government bear this burden solely on their own. Would that be a fair statement?

Ms. Marie-Josée Houle: Absolutely. We've seen too much finger pointing saying this is terrible, but....

You need cohesion.

Mr. Scott Aitchison: In the context of the latest federal programs, where there are multiple different funds and different programs that the federal government has enacted to support all kinds of different types of housing and to support other levels of government, one of them is the housing accelerator fund, which is a \$4-billion fund out of the entire group of funds that is being given to municipalities based on agreements with those municipalities to speed up the process. We've never seen the agreements. We don't know exactly how they're going to speed up, just that there have been reports that they will.

In the context of the need for social housing, supportive housing, non-market housing, do you think it makes sense for any federal programs to be focused on helping municipalities hire more bureaucrats or whatever they're going to do with that money, or do you think that money would be better focused on the non-market side?

Ms. Marie-Josée Houle: Unlike you, I am not privy to these agreements, so I don't know whether they are hiring more people, except that when I was doing a project—

Mr. Scott Aitchison: Let's go back to the simple question without my preamble.

In a housing crisis, to your mind, does it make any sense for public dollars to be spent on anything other than meeting the need for non-market housing?

Ms. Marie-Josée Houle: No. We need to bring up the percentage to at least 7% or be really ambitious and bring it up to 20%.

Mr. Scott Aitchison: Thank you very much.

The Chair: Thank you, Mr. Aitchison.

Mr. Collins, you have the floor for six minutes.

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

Welcome back to the committee, Ms. Houle.

I'll pick up where Mr. Aitchison left off.

I come from the municipal sector. I spent over 25 years as city councillor for the City of Hamilton. Many of those years I spent serving on our non-profit housing authority, through which we managed 7,000 affordable units.

One of the things I complained about before I arrived—I was even very critical of our own government after the national housing strategy was released, because to my mind it was taking too long for the dollars to flow. They eventually flowed in 2019, and I was happy to see that.

However, if I had my FCM colleagues around the table, even those who sit on the board today, they would be sitting here talking about the story of municipalities being left to their own devices for a period of 30 years. Steve Pomeroy was at our last meeting. He highlighted how through three consecutive administrations there was \$4 billion invested in the housing sector. Most of that flowed through to the non-profit sector. That was over a period of 25 years.

Our government, as you know, through the national housing strategy, is probably near the \$100-billion mark for a period of five years, so a lot has changed. To be that constructive critic, I still think we need to do a lot more, from a financial perspective, to invest in the non-market area, but if my FCM colleagues were here, they would talk about some of our provincial partners not being at the table. The federal government can't do it alone.

Can I get your ideas and your comments on how we deal with those provincial partners who aren't at the table? Some of your work talks about—and you referenced it today—how all three levels of government need to be working on this issue. We don't need finger pointing, but it's no secret that a number of provinces aren't investing in affordable housing. I live in a province where that's the case. I can point to others that are laggards. In the case of Manitoba, that is probably soon to change. Saskatchewan, I think, is a great example in terms of trying to look for affordable housing programs there.

What do we do with our provincial partners when we need all three levels of government at the table and we have only two?

• (0835)

Ms. Marie-Josée Houle: It's a really great question, and I think it is the multi-billion dollar question.

Through my work as a federal housing advocate, I focus a lot of our files on different geographic regions so we can build relationships with the provincial governments to have these conversations.

Through the bilateral agreements, the provinces did agree to the principle of the human right to housing. There was something in the Globe, I think, on the provinces being asked what they felt about the human right to housing. A lot didn't understand what that meant, or they were worried it would result in their being sued. However, it meant they're investing in outcomes for people, and anyone who gets involved in government and in politics has that at the heart of their intentions. They want to see real change for the people they serve.

It's about having these discussions in a way that doesn't end up with there being turf wars. On the other hand, with the federal government's being involved at this level for the first time in a very long time, there need to be strings attached.

It is about building these fences and having coordination. My call to have a comprehensive encampments response plan by August 31 is an example of getting all the players at the table and hav-

ing a coordinated approach rather than a piecemeal one or one behind another. I understand why provinces sometimes come out being very upset. It's not just about a turf war, but it is about proper consultation.

Every region is different. I come from the land of libertarians. I grew up in Alberta. The politics there are very different. If I talk about having meaningful relationships with people with lived experience to get to real solutions, the meaningful relationships need to exist across the board. That means between me and you, as government. It also means among all levels of government as well.

Mr. Chad Collins: Your last report, as you just referenced, was on encampments, and that's something that really exploded through the pandemic and coming out of the pandemic. Our budget, as you know, has \$250 million earmarked towards encampments, and we hope that it will be cost-shared with the provincial and territorial governments to address the whole issue of encampments.

We topped up our Reaching Home program. As you know, there was a lot of consternation with municipalities across the country who thought that this fund was going to be reduced. In fact, it's quite the opposite. We've not just topped it up, but we've provided a little more resources. Of course, our bilateral agreements also speak to addressing encampments. I can point to three distinct pots of money that go a long way to addressing encampments.

Can you comment on the need for the resources that we have in the Reaching Home program, in our new encampment fund, in the bilateral agreements, and some of the other funds that we have that address people who are living rough on our streets?

Ms. Marie-Josée Houle: Absolutely.

We saw in budget 2024 that there were lots of new initiatives and continued initiatives, which is very positive. One thing that I'm hearing back from all the sectors is that this investment can't fall off the cliff. If it's just an injection, drop by drop, organizations that do this work on the ground can't hire and maintain staff and then build trust with people with lived experience and get the results that we want, which is to have people adequately housed under an adequate roof and not just sheltered. That's the end goal for everyone. People are talking about their frustration at walking past encampments. People don't want to see encampments. It's not about pushing them further along out of public view; it is about investing in people.

To invest in people is also to invest in the non-market sector. Again, over the past 30 years the levels of government that have been investing in non-market housing, which is very little, have been doing so drop by drop, and therefore we've lost the capacity.

John Gordon has spoken about that also in the indigenous housing sector. We need 30 years of promises of continued funding. Quebec was a great example until the last, I would say, five or six years. They had invested in their non-market sector. André Castonguay was here last week to speak about that, and how important that is, and I'm sure Véronique Laflamme will be speaking about that. It's not just about money for construction—

● (0840)

The Chair: Thank you, Ms. Houle.

You can follow up later on in another question.

[*Translation*]

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

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

Thank you, Ms. Houle. As the federal housing advocate, you are making a valuable contribution to the fight against the housing crisis raging across Canada and Quebec.

The housing crisis is widely discussed, and this isn't the first time the committee has studied the issue. Our purpose this time is to determine how we can act and take the right steps to resolve the crisis or, if that's impossible in the short term, at least considerably reduce its extent. You're correct in saying that housing is a right.

I want to thank you for the contribution you've made by publishing important reports, such as those on the financialization of housing. We have adopted strong recommendations on that issue in this committee. The challenge is that it takes a long time for specific measures actually to be implemented. In addition to your annual report, you recently published a report on encampments, and I have a question on that subject.

I think you've really sounded the alarm with all the studies you've done.

When we say encampments, we're also talking about homelessness prevention. On that subject, you have requested that the government prepare a plan on the issue by August of this year.

Has the government responded to your report?

Ms. Marie-Josée Houle: Yes, I recently read a letter from the Minister of Housing, Infrastructure and Communities. We actually met yesterday evening. We were told that other measures, in addition to the previously announced \$250 million fund, would be put in place. So there's a plan.

It's very ambitious on our part to request something by August 31, but we think this is urgent. It's really a matter of life or death for people living in encampments. I also had to set a deadline in order to exercise my oversight role. We chose August 31 because that's when the municipalities start talking about what will happen to people in the encampments over the winter. We don't want people to die or to have a hand, arm or foot amputated as a result of frostbite.

This is really an urgent matter. It's not just a shelter issue. It's really a housing problem, and real solutions have to be found.

Ms. Louise Chabot: In one of your recommendations, you called for Infrastructure Canada and the Canada Mortgage and Housing Corporation to include, in funding agreements with the provinces and territories, conditions that would enable Canada to meet national and international human rights obligations.

What does that key commitment that Infrastructure Canada should make mean for you?

Ms. Marie-Josée Houle: From what we've heard, many market actors really support human rights. So this is a great opportunity for us to clarify what those rights actually mean.

Adequate housing isn't limited to mere affordability. It must also be safe and accessible to all, and measures must be in place to protect renters from eviction. In addition, dwellings must be clean and provide basic services such as electricity and potable water. Housing must also be culturally appropriate and be in a location where renters have access to employment opportunities and community resources.

The right to housing doesn't mean that the government must provide adequate dwellings for everyone. Instead, the government must use its power and resources to create a housing system that will support the right to housing for all. To do this, it must invest all available resources, relying on statutes and regulations, and take active measures. It must also set goals, such as reducing and eliminating homelessness, and develop policies and programs the effects of which, as well as progress toward achieving those objectives, can be measured. The government must also understand that it is urgently necessary to protect and support the people in greatest need and to eliminate discrimination.

The present system in Canada doesn't meet all these requirements. The housing situation evolved over the past 30 years before devolving into the crisis we have today. While we won't be able to resolve the situation overnight, all orders of government must absolutely pull their weight if we want to see progress. For that to happen, we need a plan.

● (0845)

Ms. Louise Chabot: We definitely need a plan. The national housing strategy was supposed to help improve the situation. At least \$82 billion was initially invested in the strategy, but it failed to deliver the goods. That was public money. However, non-market housing was allocated a share that I wouldn't go so far as to characterize as infinitesimal, but it was definitely less than that amount.

The Auditor General, prepared a disconcerting report on homelessness regarding, in particular, the reaching home program, which was offered in the context of the national housing strategy. According to that report, the government would have to spend \$3.5 billion, 7 times the current investment, to reach its goal of reducing chronic homelessness by 50% by 2030.

What do you think of that finding of the Attorney General's?

The Chair: Thank you, Ms. Chabot.

Ms. Louise Chabot: Ms. Houle, I'm sure you'll be able to express your opinion during my next two-minute round.

The Chair: Mr. Boulerice, go ahead for six minutes.

Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP): Thank you very much, Mr. Chair.

Ms. Houle, thank you for being with us this morning. Thanks as well for all the work you and your team have done. It's absolutely important.

I'm going to say a little about the financialization and commodification of the real estate stock and housing in general in Canada. Your office recently released a report on financialization, unless I'm mistaken, and it was the National Housing Council that published it. I want to be sure I'm assigning responsibility to the right organizations.

In the 1990s, the federal government, in a way, began to abandon its investments in social housing and truly affordable housing.

In addition, people began to view housing as a source of income, in some instances rightly so. For example, people who have no pension fund invest in housing. For them, buying a duplex or triplex is a way to save for their old age. However, there are also all those large corporations that have enormous property holdings and tall apartment towers with hundreds, even thousands, of doors.

What's the impact of this dual phenomenon: the federal government's abandoning its investment in housing and the financialization of the market?

Ms. Marie-Josée Houle: It has made rents completely unaffordable. It has also led to convincing efforts to remove people who are protected by local laws so that rents can be increased.

Furthermore, the buildings we're talking about, those that were really subject to speculation, are the ones where rents were moderate and that housed low-income individuals. That meant that, once the units were vacant, rents could be sharply increased. Even in provinces that have rent control, there's no control over rents when a unit is vacant. Quebec is starting to take some interest in the matter, but that's not the case in the other provinces.

So that was a good reason to evict people. Apart from evictions, we've seen a very dynamic buyer's market. Those old properties may have needed repairs; they were also the result of federal programs from the 1950s, 1960s and 1970s. We still want the private market to build more units today. So we have an excellent acquisition fund for the non-market housing market that would make it possible to purchase those properties. And the private market will benefit a second time.

Why couldn't we simply invest directly in the non-market housing market? That's a phenomenon that I'd like to bring to your attention today.

● (0850)

Mr. Alexandre Boulerice: That's good.

Many people say that one of the current problems in the housing crisis we're seeing across Quebec and Canada is a lack of supply. According to those people, increasing supply will solve the problem and improve the situation.

I want to hear your opinion on that. What supply are we talking about? Are we talking about building \$2 million condos? That increases supply, of course, but will that really help renters or people who are about to be removed or evicted? Will it help those who can't pay their rent and are forced to move and change neighbourhoods or even cities?

Ms. Marie-Josée Houle: You mean people who wind up on the street.

As I said at the start of my remarks, it has to be the right supply. CMHC, the Canada Mortgage and Housing Corporation, has published reports on the housing system and the possibility of building whatever one wants, which contrasts with our needs.

We requested a report from Carolyn Whitzman, which confirms that there's an extreme housing need here in Canada and that 20% of housing units must be made available at rents below \$1,050 a month.

Consequently, all programs really need to be adjusted so that enough units can be built to meet Canadians' needs. The situation will vary from one city and region to another, but we can get there if we focus on needs rather than demand. However, we won't get there by continuing to focus on demand or to give priority to what the private market wants to build because that's good for it. Too many people will slip between the cracks. We agree that the housing system works well enough for 80% of the population, but the situation is dire for the remaining 20%. We can see the result of this in the encampments.

Mr. Alexandre Boulerice: Yes, there are the encampments, and, as we've recently seen, there are also people living in their cars, for example, because they can't pay rent anymore.

I have a minute left and a complex question for you. What is the federal government's role in all this? It's complicated because you have the municipalities, the provinces and the federal government. Do we deal with this on our own, or do we wait for support from the provinces and municipalities? Sometimes co-operation is slow in coming.

Ms. Marie-Josée Houle: First, there has to be a very clear intention. As I said, we need a plan that invests in an entire generation and spreads over 30 years. Then we have to build good relationships. Housing is of course mainly a provincial issue, but all three orders of government have a role to play.

However, when it comes to human rights, it's up to the federal government to take the lead, and it therefore has a major responsibility in this regard.

The Chair: Thank you, Mr. Boulерice.

[English]

Ms. Ferreri, you have five minutes.

Ms. Michelle Ferreri (Peterborough—Kawartha, CPC): Thank you so much, Chair.

Thank you, Ms. Houle. It's wonderful to have you here. You do very important work, as all of my colleagues have said here today.

Ms. Houle, we had Mr. Kevin Lee here. He's the chief executive officer of the Canadian Home Builders' Association. He testified, and his testimony was very powerful, in my opinion. He said:

I'm here to tell you that you'll never fix the affordable housing issue with funding alone. There are simply not enough tax dollars to go around....

If you don't...fix housing affordability, you can never fix your social housing problems. If you don't fix housing affordability, people can't buy homes. That puts pressure on the rental housing stock....

I see you nodding in agreement, so I assume that you agree with that kind of statement.

I had the chance to visit the Royal Ottawa hospital this past week. They have 240 beds. This is a mental health and research facility. This is what the manager there told me: If I have one message for you, it's that we do not have access for supportive housing. I know it sounds terrible, but ultimately, these beds don't get freed up.

When you walk by encampments and when you look at people who are truly struggling, there's an interaction there with mental illness. For our emergency rooms, such as in my community of Peterborough, this is one of the big issues. There's nowhere for people to go. It's not just housing. It's housing with supports for people who have that complexity. It's all connected.

I take your housing advocate position seriously, but there has to be an accountability factor on the federal government. You can't manage anything that you don't mention. The reality is that we keep taxing people. We keep taxing home builders. We keep putting on these costs. People aren't able to build, which opens up the housing continuum.

My question is for you as the federal housing advocate. The department spent \$1.36 billion between 2019 and 2021, but the Auditor General said that the department did not know whether chronic homelessness and homelessness had increased or decreased since 2019 as a result of this investment. How do we ensure that this money—billions of dollars—is spent so that we have fewer encampments and the people who need housing are actually getting housing?

• (0855)

Ms. Marie-Josée Houle: Thank you for that question.

We need measurable results. We need transparency around these funds. I spoke about public dollars for public good. This is exactly what we're talking about. When we talk about the definition of adequate housing, for some people being adequately housed really means being housed with supports. For some people it's just a light touch—learning the rights and responsibilities, how to be a good neighbour, how to get a bank account and being able to pay their rent every month. Some people need a lot more support. They need support for mental health and for addiction. It is about housing first, but there is no housing first without housing. There is a supply issue, but it is about the right kind of supply.

As I mentioned during my opening statement, we need measurable results. We need transparency. We need data. The non-market housing has provided all of that all along, since its investment started 60 years ago. We need to have those accountability mechanisms in place for the entire housing system to truly be able to understand. As Carolyn Whitzman says, we can't count what we don't know, and we can't address what we're not counting.

Ms. Michelle Ferreri: Exactly. To that point, I guess what I'm looking for...and what you say in these testimonies is really what's put in the committee report that goes back to the House and that we hopefully evaluate.

Speaking to reporters at a press conference on Parliament Hill, the Auditor General said the government really doesn't know if all the housing-related money spent so far, about \$4.5 billion across six different programs.... That's a lot of the homelessness issue. When you talk about transparency and accountability, I guess what I'm asking you, on the record, is that it doesn't feel like that's in place right now by the federal government and the current government in charge. It doesn't feel like that. Obviously, things have never been worse. Rent has never been this high. We've never seen these encampments.

How do you make sure that there's accountability and measurable results and that the money is actually helping people? What can we do?

Ms. Marie-Josée Houle: First of all, we need an all-of-government approach, bringing together different silos. You talked about health. You talked about housing and other areas. This needs to be not just all levels of government but an all-of-government approach to be able to understand fully what's happening.

I mean, we're in the data age, but are we collecting good data? Then there are other laws around privacy that say, we can't share that information because...but there are a lot of opportunities there.

Ms. Michelle Ferreri: Thank you.

The Chair: We have Mr. Fragiskatos for five minutes, please.

Mr. Peter Fragiskatos: Thank you, Chair.

Thank you for being here again. It's good to see you.

You mentioned in your testimony at the outset, among other things, public land, and how that could be part of the solution and make a meaningful contribution to the challenges at hand. Can you expand on that?

Ms. Marie-Josée Houle: Absolutely. When we're talking about housing and supply and the economy, it's not just a simple question of supply and demand, because there is a supply that is finite, which is land. Land sometimes contributes, especially in a larger city, to the big cost factor involved in building new housing. The government is sitting on a wealth of land, and some of it can be developed for housing. It's not about selling it to the highest bidder and then government no longer having access to that resource in the future, but about land leases and exploring the role of land trusts, community land trusts and community actors for the community good to ensure this land has value in perpetuity and is not just sold off to speculation.

It's an amazing opportunity. I'm glad to see it being leveraged. I also hear that it's quite complicated but that it is happening, because to say that something's complicated and it's going to take time is not a reason to not do it. We need to do it.

● (0900)

Mr. Peter Fragiskatos: I was about to ask you for your thoughts on the government deciding to emphasize leasing versus selling the land, but you've answered that.

I want to ask you also about co-op housing. Just a few days ago, you would have seen that the government made the single largest investment in the past 30 years to see more co-op homes built. What do you think of co-op housing in terms of, again, its contribution to this crisis?

Ms. Marie-Josée Houle: Co-op housing builds community as well as housing that is affordable not just with deep subsidies for people but for people who live there. It will realize a deeper affordability for those who don't receive subsidies as time goes on. There are reports from the Co-operative Housing Federation of Canada that prove this. Co-ops really are a great thing.

What co-ops need and what the entire non-market housing sector needs, as well as capital dollars to build and acquire more, is a change in legislation to be able to leverage their own assets in order to not be dependent on just government funds. They need support from government in order to bolster the capacity.

Right now, we're sitting on a few narratives that are very worrisome for me. First of all is that non-market housing especially, including co-ops, is only there or should be supported only because it houses people that the private market will not and cannot house. That's not true. As you know, non-market housing should be available to everyone, and it has its role in the overall market to compete

with the private market. These are not ghettos and warehouses for poor people or people with deep needs. That's first of all.

Second of all is that only the private market has the capital and the capacity to build. The non-market housing sector used to have a ton of capacity in the same way that indigenous housing had a lot of capacity. That has dwindled because there has not been proper government investment in the sector and anyone who has talent has moved to work in the private market. We need to bring these people back, and we have a lot of examples—again, in Quebec—of organizations that are brilliant. They have the business acumen, and they are there to build community wealth.

We need to see that culture happening in all the provinces. Mr. Collins talked about Manitoba not having a lot of non-market housing. I know that Manitoba is struggling with their capacity.

Mr. Peter Fragiskatos: Thank you—

Ms. Marie-Josée Houle: You can dump all the capital there, but if no one can do it, that's where you need the support as well.

Mr. Peter Fragiskatos: I know that you obviously have a passion for co-op housing in particular, and that shows, for very good reason. We have a colleague who talks a lot about housing, but when he talks about co-op housing, he talks about it as “Soviet-style” housing. What do you think of that message, of that kind of negativity, I mean?

Ms. Marie-Josée Houle: I think it's a real shame. I invite everyone to visit a housing co-op. They'll see something very different.

Mr. Peter Fragiskatos: Finally, the government has proposed capital gains tax changes. The revenues gained from that will go to, among other things, helping on the housing side. What do you think of this particular measure?

Ms. Marie-Josée Houle: As I outlined, the human right to housing puts a responsibility on governments to use regulations and mechanisms to be able to realize the human right to housing for everyone in Canada without discrimination, and that includes creating market conditions to decrease speculation.

I sat with this committee last year on financialization and showed the harm of what financialization does. Financialization means that it's the large corporate investors, but as the large corporate investors set the rates for rentals, all the mom-and-pops follow suit, so it has a rippling effect on everyone who is renting, for example.

As government, you have the responsibility to put in regulations to shape the housing market so that it protects the human right to housing for everyone.

• (0905)

The Chair: Thank you, Mr. Fragiskatos.

[*Translation*]

Ms. Chabot, you have two and a half minutes.

Ms. Louise Chabot: Thank you.

Earlier I asked a question that was too long, but, with regard to homelessness, it's alarming to see that, even though investments have been made and more have been announced in the budget, we won't be able to resolve the situation if everyone fails to show some political will. This isn't just a money issue. We also have to solve the homelessness problem so we can offer people a roof over their heads, or at least better living conditions and services.

My question concerns non-market housing. In Quebec, we have an ecosystem in which that can be developed thanks to organizations like the housing bureaus. Since we seem to have a common goal of providing non-market housing, shouldn't we transfer funding as soon as possible to Quebec, for example, so it can take action and speed things up?

Ms. Marie-Josée Houle: Yes, absolutely. It's an urgent matter.

We're in the midst of a crisis. People are dying in encampments, and despite the speed at which the situation is deteriorating, speculation and financialization continue. As I said, we mustn't be content to invest in the real estate sector; we also need to support the non-market sector so it can develop and take advantage of opportunities that arise.

Ms. Louise Chabot: With respect to co-operating with the provinces, it's true that's one way the federal government could provide help. Regardless of the party in power, it stopped investing in housing long ago, and now it's decided to invest again, which is good. It's time to act.

However, could a summit on the housing crisis be a solution based on co-operation and dialogue that would help ensure that everyone has the same objective? We've previously held a summit on car theft. That's hardly a joke. We should have the same objective on these issues, although I wouldn't want a summit to delay specific measures.

Could that kind of summit deliver the necessary shock to make us act?

Ms. Marie-Josée Houle: I'm not necessarily well placed to comment on that, but if there were a summit, the issues would have to be well framed because, as I said, the present system benefits a lot of people.

The Chair: Thank you, Ms. Chabot.

Mr. Boulerice, you have the floor for two and a half minutes.

Mr. Alexandre Boulerice: Thank you very much, Mr. Chair.

Ms. Houle, I'm going to ask you to answer my question with a yes or a no, if that's possible.

Based on your observations, experience and analyses, are temporary immigrants responsible for the housing crisis?

Ms. Marie-Josée Houle: No.

Mr. Alexandre Boulerice: Thank you very much. Now that's settled, we can move on to serious matters.

You heard my Liberal Party colleague discuss co-operatives. I share your love for co-operatives. There are a few of them in Rosemont—La-Petite-Patrie, and they're really great. They offer a good living environment and a good model of democracy and citizen participation. However, they sometimes find it hard to do renovations and continue their activities. When unforeseen circumstances arise, they can't always afford the necessary work. It's as though they've fallen into neglect 20 or 30 years after they were established.

I've cited co-operatives as an example, but what could the federal government do to guarantee that housing remains truly affordable?

Ms. Marie-Josée Houle: Generally speaking, programs are subject to conditions respecting co-operatives' reserve funds. I believe the programs that the federal government created in the 1980s had fewer conditions. Now the new co-operatives have to allocate a certain percentage of their budget to a reserve fund, which is used to solve property-related issues or for future repairs.

People who live in them definitely invest gradually over time in anticipation of significant renovations. The people who live there when the roof needs to be replaced or the elevator repaired or replaced aren't the only ones who invest.

Regulations have to be adapted and conditions established.

• (0910)

Mr. Alexandre Boulerice: According to the figures we have, which you probably have as well, we lose 10 or 11 housing units for every one that's built. That's like trying to climb out of a hole by digging deeper.

What should the federal government do to remedy the situation?

Ms. Marie-Josée Houle: First of all, it needs to invest in the sector and adopt regulations designed to check or limit speculation.

Mr. Alexandre Boulerice: I see.

How much time do I have left, Mr. Chair?

The Chair: You have 10 seconds left.

Mr. Alexandre Boulerice: All right, I'll stop there.

The Chair: Thank you, Mr. Boulerice.

[*English*]

We're going to conclude with two and a half minutes with Mrs. Falk and two and a half minutes with Mr. Collins.

Mrs. Falk, you have the floor.

Mrs. Rosemarie Falk (Battlefords—Lloydminster, CPC): Thank you very much, Chair.

Thank you for being here today.

We know that Canadians are in an affordability crisis. Everything seems to be going up, and this is also reflected within housing because the materials that are needed also go up. In April, 70% of the provinces asked to have a meeting because of the carbon tax increase by the federal government. That meeting request was not met, so in my mind it begs the question of how many other things provinces want to have meaningful conversation or consultation with the federal government on, and it doesn't show up or it does what it wants anyway.

We know that wraparound services are very important, and that's what we need delivered in all of our provinces in a way that works cohesively, within all levels of government. You have your municipal level, which is there on the ground and knows what's going on. You have your provinces, which are the ones who are supposed to be distributing these funds, and then the federal government, which is supposed to be there to support if and when needed. If we don't have the ability to fund provinces when they need help, with wraparound services, for example.... Canadians are now spending more servicing the debt of this nation than the provinces are receiving in health care transfers. I see that as money that could be used for wraparound services. That servicing debt money could be used for wraparound services.

Would you agree with that statement?

Ms. Marie-Josée Houle: I'm sorry. You've caught me like a deer in the headlights. I am not in a position to—

Mrs. Rosemarie Falk: The wraparound services are important. Isn't that correct?

Ms. Marie-Josée Houle: Absolutely, they are.

Mrs. Rosemarie Falk: We need those to be able to give a hand-up to those people who need housing. As you mentioned, it's on a continuum. Sometimes it's a little bit more complicated or it's sometimes a little bit easier with just, like you said, setting up a bank account, that type of thing.

Would you agree that with the amount of money Canadians, taxpayers, are spending on servicing debt, that money that's being used to service and pay interest payments on the debt the Justin Trudeau government has created could be used to help people with those wraparound services that are needed?

Ms. Marie-Josée Houle: I'm not in any position to comment on how tax is done in Canada. That's not my area of—

Mrs. Rosemarie Falk: You don't believe that the money that's being spent on interest could be used to help with wraparound services...?

The Chair: Thank you, Ms. Falk. Your time is over.

Mrs. Rosemarie Falk: Okay. Thank you.

The Chair: We go now to Mr. Collins, for two and a half minutes, to conclude this hour.

Mr. Chad Collins: Thanks, Mr. Chair.

My first question is a simple one. I think any serious federal housing plan—let's take the politics out of it in terms of the partisanship—should have affordable housing as its priority, encampments as its priority. Do you agree with those statements in terms of providing support in those areas?

Ms. Marie-Josée Houle: As Canada's first federal housing advocate, who is here to push government to uphold the human right to housing, those are my two areas of priority—absolutely. There are a lot of other systemic issues at hand, but those are the big ones, so yes.

Mr. Chad Collins: You talked about doubling the stock of non-market housing. Of course, the federal government is not responsible for or in charge of building new supply. Municipalities and the provinces are primarily in charge of that.

Do you think it's important as we try to incentivize new supply and new non-market units that we work with our municipal partners?

● (0915)

Ms. Marie-Josée Houle: Absolutely. It takes all three levels of government, because you also need provincial funding for much needed wraparound services for supportive housing.

Mr. Chad Collins: I have a quick question about encampments.

Coming out of the pandemic, we're dealing with supply chain issues, we're dealing with an opioid crisis, we're dealing with a mental health crisis and we're dealing with inflation. Many municipalities are struggling to address the encampment issue.

I've read your report twice now. The traditional provider I think would look at your report and ask how they should be looking at providing those services on a go-forward basis.

You've talked about the whole issue of partners. We have a traditional men's and women's shelter system that doesn't accommodate couples that make their way into the emergency system. Pets have become an issue with encampments. Many people say that they're in an encampment because they have a pet and they don't want to visit the emergency shelter. The drug use policies vary. We were able to accommodate these issues prior to the pandemic. Now, coming out of the pandemic, these are some of the barriers that force people to live on the street rather than find those services from a traditional provider.

What advice do you have for emergency shelter providers as it relates to changing their business model to accommodate?

Ms. Marie-Josée Houle: It's a complex issue.

We need change to meet the needs. We need to consult with people who use these services to know how best to meet their needs.

The Chair: Thank you, Mr. Collins.

This concludes the first hour.

I want to thank you, Ms. Houle. You had the full hour to present to this committee and address the members' concerns and questions. Thank you for appearing.

With that, we'll suspend for two minutes while we transition to the next witness list.

• (0915) _____ (Pause) _____

• (0920)

The Chair: Welcome back.

We will now begin the second hour of the committee's study on housing and welcome witnesses.

From Front d'action populaire en réaménagement urbain, we have Véronique Laflamme, spokesperson. From the Independent Contractors and Businesses Association of British Columbia, we have Jock Finlayson, chief economist. From Abundant Housing Vancouver, we have Daniel Oleksiuk.

Welcome to the committee. You will each have five minutes for an opening statement.

We'll begin with Ms. Laflamme.

You have five minutes.

[*Translation*]

Ms. Véronique Laflamme (Organizer and Spokesperson, Front d'action populaire en réaménagement urbain): Good morning, Mr. Chair.

According to the 2021 census, 1.6 million renter households in Canada were already spending more than the standard 30% of their incomes on housing, and 620,000 of them were spending more than 50%, clearly at the expense of their other essential needs. In Quebec, 373,000 renter households are in this situation, earning a modest annual median income of less than \$24,000. Many have probably become homeless since then. The situation is probably far worse now since these numbers are based on 2020 incomes, temporarily inflated by special income support measures. Many households have also become invisible in the statistics since homeless persons and those with insecure migratory status aren't enumerated in the census.

Quebec and all the provinces are now experiencing a rental housing shortage, the most severe shortage in 15 years in Quebec and the most widespread the province has ever known.

In the circumstances, in the absence of mandatory rent control, rents are increasing even more quickly, discrimination is on the rise, and the rents of the scarce available apartments are higher.

The affordable housing stock is rapidly declining, and residential insecurity now afflicts increasing numbers of renter households.

Despite the acute shortage, it's impossible to attribute the causes of the crisis renters are experiencing to scarcity alone. High rents and their mismatch with the incomes of a large segment of renters are also signs of a crisis that undermines their ability to pay, which is an essential component of the right to decent housing.

The rental dwellings built in recent years, in many instances by real estate giants, have unfortunately contributed to this rising unaffordability. However, there are very few alternatives to these excessively expensive units, since the private sector owns 90% of the

rental stock in Quebec, which is probably more similar to the Canadian situation.

In the circumstances, the shortage of social housing in the form of co-operatives, non-profit housing organizations and public social housing contributes to the crisis.

In 2016, the UN Committee on Economic, Social, and Cultural Rights acknowledged in a report released in Canada that the social housing shortage was one of the barriers to the gradual implementation of the right to housing in Canada.

This shortage of private-market housing has serious consequences and has clearly contributed to an increase in the number of homeless people in recent years.

For three decades, non-profit and collective-ownership social housing was the centrepiece of federal intervention on housing. The federal government's withdrawal since January 1, 1994 has definitely contributed to the current shortage across the country. It is estimated that, in Quebec alone, we would now have approximately 85,000 more social housing units if the federal government had continued to invest at the same pace as it did during the best years.

The federal government's withdrawal from maintenance of the existing social housing stock, which it had helped to finance, also undermined that collective property. In Quebec, for example, there is the problem associated with the maintenance of low-income housing, whereas social housing units have since been sold in certain provinces. The federal government returned eight years later, in 2002, not directly to social housing, but to so-called "affordable" housing, which also helped maintain a small percentage of social housing units in the rental stock in many provinces, including Quebec.

The federal "affordable" housing initiatives continued year after year for at least 15 years on a share of financing that was already inadequate at the outset. Social housing projects never returned to the level they had reached in the late 1980s.

Canada's national housing strategy, which was introduced in 2017, clearly hasn't helped finance a large number of social housing units intended for low and moderate-income families, as was the original objective, and for good reason: despite the strategy's objectives, those initiatives were poorly targeted, the vast majority of funding intended for housing was used to build apartments at costs that were far too high, and too few initiatives under the strategy were reserved for non-profit housing.

In short, even though our association is delighted that the November update, Canada's housing plan and the April 16 budget have finally restored funding to the non-profit sector, we still have a long way to go. There's still too little social housing funding in the pipeline.

It's essential that the trend be reversed. We have very clear demands to make of the government, and we would ask the committee to consider them to ensure that the billions of dollars that the federal government still needs to invest in housing is put to better use.

● (0925)

It's important that this funding really be used to offset the social housing shortage that, in Quebec and across Canada, is associated with the federal government's withdrawal and that it be used to combat the serious homelessness crisis afflicting the entire country.

The Chair: Thank you.

[English]

We have Mr. Finlayson for five minutes, please.

Mr. Jock Finlayson (Chief Economist, Independent Contractors and Businesses Association of British Columbia): It's a privilege to be here this morning with you from Vancouver. I'm Jock Finlayson, the chief economist of the Independent Contractors and Businesses Association, which is actually the largest construction association in Canada. We have about 4,000 or so members and clients, and we also operate a very substantial employee health and benefits business in addition to our work on behalf of the construction sector.

We think construction has an important role to play in moving Canada forward in this fast-changing and increasingly competitive world. It's a big industry, as I'm sure the committee members know, accounting for about 8% of employment across the country—a little bit more than that here in the province of British Columbia. The word “crisis”, I think, is overused in Canadian policy discourse, but in the case of housing, the term is probably warranted given where we're at today.

The Canada Mortgage and Housing Corporation has done some studies suggesting that the last time housing was affordable in Canada, as they define it, was two decades ago. The lack of affordable housing is rooted in insufficient supply relative to population growth and rates of household formation.

It's become an important barrier to improving and even maintaining living standards in many parts of the country, and certainly here in metro Vancouver, which I would describe as ground zero for Canada's housing challenges. The rapid population growth that we've experienced over the past couple of years has played an important role in aggravating the pressures we see in housing markets. It is quite striking to see how quickly Canada's population has been increasing relative to peer jurisdictions. There was 3.2% growth last year, and the number will probably be fairly close to that, I would predict, for 2024.

This reflects Canada's commitment to open immigration and the substantial number of newcomers who have been coming to our country. Indeed, over the last couple of years I estimate that immigration, temporary plus permanent, has dwarfed dramatically the number of new housing units that have come into the market.

For every new unit that we've seen come into the Canadian housing market, we've actually had somewhere between four and four and a half newcomers. That, I think, is recognized as perhaps a lit-

tle bit excessive, and hence the Government of Canada's move to begin slowly to reduce the number of non-permanent residents living in the country.

We think a realistic goal for housing starts in Canada is not 700,000 or 800,000 a year—which is embedded in the federal government's housing plan and has also been touted by CMHC—but rather probably something closer to 400,000. I say that because Canada has been struggling to build even a quarter-million new dwelling units per year.

The construction industry across the country, and certainly here in B.C. and Alberta, is not overflowing with unused resources. The job vacancy rate in construction remains somewhat elevated. It's down from a couple of years ago, but we simply don't have the capacity in the industry to suddenly and quickly double, or even increase by two-thirds, the number of annual starts, even if all the other barriers to doing that were swept away.

We think the 400,000 number is realistic. It would help, and we can perhaps rally a lot of support across the country behind that. Back in 1972, with 22 million people living in Canada, we built 230,000 homes. Last year, with 40 million, we essentially were in the same ballpark.

That's really a sign of the reality that it's been harder and more expensive to build homes and almost everything else in Canada today than it has been in previous decades. It's a fundamental challenge, and it's not just one for the Government of Canada, by any means. We support many of the measures that the Government of Canada has unveiled over the past 12 to 18 months, including a number that were updated in the budget, and in particular focusing on building more rental housing, which we think is critical. One-third of Canadian households are renters, and I predict the share will go up over time.

In that regard, the accelerated capital cost allowances for new apartment units, the extension of the earlier removal of GST from rental housing to include student housing units, the changes being made to the Canada mortgage bonds program and the increase in funding available under the apartment construction loan program should all help over time to begin to accelerate the supply of new rental housing into the market, which is critical.

• (0930)

Fostering densification in cities and towns is also crucial. Here in B.C., the provincial government is working very aggressively to deliver on that. Earmarking public lands and underutilized public buildings for consideration for housing development also makes sense, but we have to recognize that housing is not a sphere of jurisdiction where the Government of Canada is really the primary actor. A lot of the decisions—or most of the decisions—around new development, zoning, land use, densification, community and the rules that shape community evolution are determined by local governments and the provinces. The federal government can assist. It can create incentives, and it can create sticks and carrots, but it doesn't ultimately have the final authority.

Finally, I will comment on labour supply, Mr. Chair, and then I will finish. We estimate that about 2% of permanent immigrants to Canada in recent years have ended up moving into the construction trades. Construction is 8% of the Canadian workforce. We think the immigration selection criteria for permanent residents in Canada should be tweaked to put a higher priority on skills that are relevant to the construction industry.

Thank you for your patience.

• (0935)

The Chair: Thank you, Mr. Finlayson.

We will now go to Mr. Oleksiuk for five minutes.

Mr. Daniel Oleksiuk (Director, Abundant Housing Vancouver): Thank you very much for the opportunity to speak to you today.

My name is Danny Oleksiuk. I'm here from Vancouver. I'm a writer and researcher with the Sightline Institute and a co-founder of Abundant Housing Vancouver, Canada's first modern YIMBY group, which we started back in 2016.

I think there are some good directions with the housing accelerator fund, but I want to talk about how, in our view, it's not nearly aggressive enough. To do that, I wanted to start with the first house that I—to set the groundwork for that—lived in in Vancouver. I moved into it in 1990 as a small child. My parents bought it for \$100,000 [*Technical difficulty—Editor*].

I had to stop and think about that number for a while when I looked it up. It was \$207,000 for a detached house in East Vancouver. I mean, housing being that cheap back then, you could actually afford a lot of it, even if you were poor. It had all kinds of knock-on effects. For example, there wasn't nearly so much public drug use back then. Even broke people could afford housing.

There's a lot of talk today about the cost of new housing. Is it affordable enough? Who is it for? I think these questions miss the point so much as to be almost dangerous and misleading. What happened is not that new housing got too expensive, but that existing housing became a lot more expensive because of a shortage. We have built so little housing since 1990 that the old houses got expensive.

Again, going back to that old house of mine, it's now assessed at \$2 million. It's a hundred-year-old house. It's 112 years old. The

land under it is now assessed at \$1,951,000. The building is assessed at just \$90,000. Again, the problem is not so much that new housing is not affordable. It's that old housing, more precisely the land under it, got really expensive because of a shortage.

You can walk down that old street. It's East 11th Avenue. What's remarkable is that it looks almost exactly the same. A couple of the houses have been rebuilt, torn down and replaced with new houses, but there are no apartments. Until recently, the relevant zoning code for what we used to call RS-1 stated right at the top that the main goal was to preserve the single-family character of the neighbourhood, and it does look mostly the same.

What can the federal government do about it? Obviously, as other witnesses have said, the key levers in my view are property taxes and zoning. Although, as Mr. Finlayson has said, there are going to be labour constraints—and that's an important project too—the levers of zoning and property taxes are in provincial jurisdiction. Given that, I think that a model like the housing accelerator fund is a good one for the feds to get some leverage.

That said, I have a couple of points on the HAF that I think would make it better. The first is that it's not nearly aggressive enough. Again, things have gotten so much worse that just fourplexes in central neighbourhoods like Vancouver and Toronto are not really going to move the needle.

I'd suggest something more. What we need in those places is small apartment buildings and not just unit minimums but density minimums. If you don't do density minimums, then municipalities are going to formally legalize a certain number of units but not provide the density when they actually get built. Something like a 2.0 floor space ratio is what we need, especially in the really expensive central cities.

Then finally, property taxes are exceptionally low, especially in British Columbia. Municipalities are begging poor. They're saying that they want more infrastructure funding. I would also propose that the future version of the housing accelerator fund ask provinces for matching contributions for infrastructure from property taxes.

All of this new wealth has been created in land equity. It's just not going to be possible going forward. Most of that's really tax sheltered. Meanwhile, we're trying to run a whole government off of income taxes, corporate taxes and all these other taxes. There's a huge amount of wealth that's been created in property, and we have very low property taxes. I think something like the HAF could double its effectiveness by asking for matching contributions.

I'll just close by bringing us back to the \$207,000 house to remind us of how far things have gone and to encourage you to be a little bit bolder, given how far we've gone.

Thank you very much.

• (0940)

The Chair: Thank you, Mr. Oleksiuk.

We'll now begin with Mr. Aitchison for six minutes.

Mr. Scott Aitchison: Thank you, Mr. Chair.

I'll actually start with our last witness, Mr. Oleksiuk.

You mentioned the housing accelerator fund. In terms of your criticisms of it, I probably share most of them, but do you think it makes sense that the housing accelerator fund is sending money to cities that, aside from maybe not doing enough in terms of density, are also in the same step increasing the cost of their development charges, for example, at the same time?

Mr. Daniel Oleksiuk: It's a good question.

I agree with the general sentiment that those charges are too high, and the shift from property taxes to taxes on building is a problem. As for exactly how to weigh all those factors and what to reward to cities, I think that may be complicated, but yes, I think that should be a factor, certainly. Cities that are taxing the production of new housing certainly should be a factor in how those funds get distributed. I think it is important.

Mr. Scott Aitchison: Thanks.

I'll ask the same question of Mr. Finlayson.

In terms of the local costs and fees and charges, do you think it makes sense, Mr. Finlayson, that we have a federal government that, among its many programs, has a \$4-billion fund giving money to cities based on promises to be better, while at the same time those cities are increasing the cost to build?

Mr. Jock Finlayson: That is definitely a concern. I can't speak to what's happening elsewhere in the country, but here in B.C., especially in metro Vancouver, the costs of various taxes but also development cost charges, community amenity contributions and a variety of other fees that are levelled on the development of new dwelling units add hundreds of thousands of dollars to the eventual cost.

What's happened over time—and I'm not known as somebody who believes taxes are too low, but Daniel's actually right. We've tilted the municipal finance structure a bit to essentially put a lot of burden on new builds. Although most citizens here would not agree that their property taxes are too low, they are actually quite low relative to the assessed values of the properties. There's a problem there.

Indeed, the federal Minister of Housing got into a spat with some municipalities here in metro Vancouver because, at the same time that they were pleading poverty and saying they wanted to see more affordable housing or any kind of housing come to market, they were ratcheting up further the community amenity contributions and development cost charges.

It's definitely a problem. I don't know that the federal government can fix it, other than linking its own funding to good behaviour at the local level and at the provincial level. That's really the lever that the Government of Canada has. They do not control the behaviour of municipalities or how they finance themselves.

Mr. Scott Aitchison: That's a very good point.

I'll continue on with you Mr. Finlayson, on the number of units needed to restore affordability. We're talking about millions of units. Can you tell us what level of investment we're talking about? How much money needs to be spent in the housing space to restore some semblance of affordability?

Mr. Jock Finlayson: I'd have to get my calculator out and do a little bit of additional work, but it is monumental. Let me just say something else in that context, Mr. Aitchison.

Canada is already devoting 8% to 9% of GDP, of national income, to homebuilding, home renovation and real estate intermediation. The United States is spending 4% to 5% of GDP on the same thing. We're already devoting a lot of national income to developing, renovating, rehabilitating and transacting in housing.

I do actually worry a bit as an economist. I recognize that we need more housing, but I wonder whether we should be spending 10%, 11% or 12% of national income on housing. If we did, what are the things we wouldn't be investing in?

There's a limit to the pool of savings at the macroeconomic level that exists in Canada. We're already spending a tremendous amount of our national income on housing. I think there's almost some macroeconomic constraints, apart from everything else, that would stand in the way of a sort of monumental ramping up of the resources for housing.

• (0945)

Mr. Scott Aitchison: If I could jump in, Mr. Finlayson, does that mean, then, that we need to attract new investment into the housing space?

Mr. Jock Finlayson: Absolutely. I mean, the needs are tremendous. One of the earlier speakers talked about co-op or non-market housing. We need all of it, certainly here in the province of British Columbia.

Mr. Scott Aitchison: If I can jump in again, Mr. Finlayson, because I'm running out of time, if we need to attract new investment into the housing space to meet the needs, do you think it makes sense that the government has made changes to the capital gains tax rate? Is that going to help attract new investment into the housing space in a housing crisis?

Mr. Jock Finlayson: I think any increase in the taxation on capital deployment or the returns that will be generated from capital deployment will act as a headwind to capital formation. Higher capital gains taxes are not helpful to encouraging capital formation, whether that's in housing or any other part of our economy.

Mr. Scott Aitchison: I think that makes the point fairly well.

I'm not sure how much time I have left. It looks like about five seconds.

Thank you, Mr. Finlayson. I appreciate your time.

Mr. Jock Finlayson: Thank you.

The Chair: Thank you, Mr. Aitchison.

Next is Mr. Long for six minutes.

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

Good morning to my colleagues.

Thank you to the witnesses for your testimony.

I have a few comments before I ask some questions. I was elected as a member of Parliament in 2015. I think it was quite clear there was a challenge from coast to coast to coast with respect to housing and housing shortages, so early in our mandate, we came forth with our national housing strategy, recognizing that there was a leadership role for the federal government to play.

If we go back over previous governments, this situation has been created, to be clear, over many governments back many years, but if you look at just the government that preceded us, the Harper government, they didn't just back away from housing; they put the car in full reverse and stepped on the gas. The amount of housing starts in the previous government's mandate, or years in power, were very small.

Then we look at the current Leader of the Opposition. When he was housing minister, you could count on two hands the number of housing starts that were created under his mandate. You see his commitment and seriousness towards housing when he compares co-op housing to Soviet-style housing.

I recognize that my friends and colleagues across, as the opposition, will be critical, and it is their job to do that. I think two things that are very clear when you see their questioning and their responses to some of the witness testimony are that they feel this is all something we bear responsibility for and that it's all affordability, without recognizing there's an affordability crisis, really, worldwide. We're certainly not responsible for the affordability crisis in the U.K., in Europe and in the United States. We recognize we need to play a role. I think we all agree that all three levels of government have a role to play.

I'm from New Brunswick. Sadly, we have a premier and a Conservative government there who also have the same view with respect to housing. They don't view it as a priority. Our neighbours in Nova Scotia and Prince Edward Island joined us in removing the sales tax from new apartment builds, and you can see that Nova Scotia and Prince Edward Island have tripled the building of apartments in a three- to four-month period.

My first question to you, Mr. Oleksiuk, is this: How important is it that provinces join us on the removal of the tax on new builds, and what can we do to entice other provinces to take more of a leadership role when it really is their file?

Thank you.

● (0950)

Mr. Daniel Oleksiuk: This goes back to what Mr. Finlayson and I were talking about with the shift from property taxes to building taxes, effectively, whether it's GST, development cost levies, development cost charges or community amenity contributions—all of the many headings under which there are a lot of taxes on new housing. I think there has been this idea that increasing property taxes has been a third rail of politics, and it simply can't be done.

Given how bad things have gotten and how poorly incumbents have done by following that logic, I'd encourage you to think that it's actually not the case. Shifting all of the cost on to new people, on to young people and on to builders and then not taxing incumbents at all has not been a hugely successful strategy for incumbents.

What can be done at the federal level given that it is provincial contributions? Again, as I said in my introductory remarks, I think tying that kind of a tax shift to housing accelerator funding in the future is something that could be considered, because the provinces and municipalities are not using their tax bases to contribute. They're asking you, at the federal level, to effectively raise income taxes and corporate taxes to fund these kinds of things, and they're begging when they're not using their own tax base on the gigantic amount of property wealth that's out there.

Mr. Wayne Long: Thank you.

We've come forward with programs through the national housing strategy, whether it's the co-investment program, the rapid housing initiative, the apartment construction loan program or the housing accelerator fund.

As a point of clarity on the housing accelerator fund, the purpose of that fund is to incentivize change. We're working, I think, very effectively across the country with municipalities to incentivize that change. Can the program be strengthened? It's a new program. Sure. However, the municipalities I talk to, and certainly those in my riding of Saint John—Rothesay—we were there to do an announcement a few months back—are very appreciative of the program. I think that goes for most municipalities across the country.

As a point of reference, all of those programs that we have come forward with, the Conservative Party has voted against. One of them was the right to housing. That right to housing was embedded in our national housing strategy and, again, the Conservatives voted against it.

I respect my colleagues very much. I know their job is to challenge, but when you vote against every one of those initiatives and really don't come forward with solutions of your own, that's a cause for concern.

The Chair: Thank you. Your time has gone over, Mr. Long.

We'll move to Madame Chabot

[*Translation*]

The floor is yours for six minutes.

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

Thanks to the witnesses as well.

Ms. Laflamme, thank you for appearing as the organizer and director of the Front d'action populaire en réaménagement urbain, or FRAPRU, a Quebec organization that, for more than 40 years, has done much to improve the situation regarding the right to housing by making people's housing needs known and proposing measures to address them. I commend you for that.

This isn't the first study that we've done on the national housing strategy or on the housing crisis. With all due respect, we hear many witnesses discuss the market economy, laws, and supply and demand.

If we create supply, we'll also create demand and thus be able to meet the needs of the most vulnerable people and the need for more co-operative housing.

Would you please comment on that logic?

Ms. Véronique Laflamme: Thank you for your question.

As I briefly mentioned in my remarks, for us at FRAPRU, the housing crisis is due to housing affordability as well as unavailability. It's also driven by real estate speculation. The crisis won't be resolved if we focus solely on increasing supply without considering the types of housing in which we invest public funding.

That's precisely what our main criticism of Canada's national housing strategy has been since it was announced. Despite its objectives, which are to reduce the number of households with urgent housing needs, funding has mainly been allocated to increasing supply but with very minor and insufficient affordability criteria. As a result, many billions of dollars have been invested in housing construction, but there's been very little in the way of results in increasing the number of social and community housing units that have actually been built. That's the problem. We see that the supply of social and community housing is stagnating, and even declining in Quebec for the first time, and the fact that federal funding isn't being allocated to increase the number of social housing units has contributed to that.

I must say, Ms. Chabot, that there has recently been a glimmer of hope, although our sense is that this is a race against the clock. We're witnessing a certain will to action. Since 2017, we'd been demanding that investments, the billions of dollars allocated under Canada's national housing strategy, be reallocated and invested on a priority basis in various forms of non-profit social housing. We've very recently begun to feel that we're been heard, but the programs haven't yet been redrafted. Consequently, before even more billions

of dollars are spent, we urgently need to make sure that funding is earmarked for the non-profit housing sector. We can suggest ways to get there. The list is long, but I'm going to name a few.

The most general one, which would be foundational, would be for the federal government to set a clear goal to build various forms of social housing, meaning non-private-market units, which we still don't have. Yes, there's a goal in Canada's housing plan to build units, but we don't know how many will be non-profit, whereas they're the only ones that are consistent with the ability to pay of a majority of renter households. This isn't a trivial problem.

More specifically, there are programs, including the affordable housing fund, that have just been created and should focus entirely on the non-profit sector. The contributions option should be enhanced because many social housing projects can't build genuinely affordable housing without contributions. Loans are not enough, although they could play a role. The loans program is also more generous; it's the one with the biggest budget to date, but it's mainly designed for private builders.

So this is a debate that must be held. What purpose is served by these billions of dollars that, as a previous speaker mentioned, aren't unlimited? Does the government want to favour the private sector or strengthen the non-profit sector? CMHC has significant resources. We think that, if the government sends a very clear message that it wants to grant low-cost loans to the non-profit sector, that could have an impact, particularly in Quebec. We know that high interest rates are making matters difficult these days because they complicate financing arrangements.

The problem, more generally, is that there are no more self-sufficient programs like the ones we used to have before the federal government withdrew. You have to knock on three, four, five or six doors to complete financial arrangements for social housing projects. That's not right when you want to meet the needs of vulnerable people, especially those who are homeless. On that subject, we welcomed the creation of the rapid housing initiative, the RHI, which provided 100% funding for building costs. Unfortunately, it was the only non-recurring component in the national housing strategy. It has just been announced that it will become a component of the affordable housing fund.

Once again, there has to be a quick call for projects, and funding has to be disbursed so these projects can now be built without taking any more years.

● (0955)

Ms. Louise Chabot: You have 30 seconds left, Ms. Laflamme.

Ms. Véronique Laflamme: I don't know if we'll be able to discuss this again, Ms. Chabot, but, as you can see, we have many measures at our disposal. It's important that funding be disbursed so we can help renter households, which are now totally desperate and feel they've been left to their own devices.

Ms. Louise Chabot: Thank you.

The Chair: Thank you, Ms. Chabot.

Mr. Boulerice, you have the floor for six minutes.

Mr. Alexandre Boulerice: Thank you, Mr. Chair.

Thanks to the witnesses who are with us this morning for this important study.

Ms. Laflamme, thank you for all the work you've done in Quebec over the years to defend people who are in difficulty and need housing.

You were quite clear in your introduction about the fact that there are 1.6 million households in Canada that spend more than 30% of their incomes on housing, which leaves them in a precarious position and, in many instances, in poverty. You've taken stock of Canada's national housing strategy, which was introduced in 2017, under which more than \$40 billion has been spent. Despite all that spending, the strategy hasn't really met people's needs. Another approximately \$40 billion still remains to be spent under it.

Affordable housing has often been defined, for example, as housing at a price equal to or less than 80% of the average market price. However, you argue, based on reverse logic, that we need social housing at a price that shouldn't be determined by the market but rather by people's capacity to pay so that it doesn't exceed 25% of their income.

How could we use the \$40 billion remaining under Canada's national housing strategy to build housing at a price that will be determined by people's capacity to pay, not by the market?

• (1000)

Ms. Véronique Laflamme: Good morning, Mr. Boulerice. Thank you for your question, which is an important one.

Yes, the benefits of establishing market-based affordability criteria are limited, especially in a context such as what we see in Toronto and Vancouver, for example, and across Canada, where median market housing rents are exploding. So you have to bear in mind that there are no guarantees that the so-called affordable rents that are available in the private sector and that are financed will actually remain affordable over time.

However, consistent affordability over time is the principal characteristic of social housing, whether it's provided by co-operatives, non-profit housing organizations or public organizations. By focusing on these types of housing, we ensure that they remain collective property and that they meet the needs of future generations, in addition to the very immediate needs of the public.

Public lands are one of the major issues when it comes to how the billions of dollars remaining under the strategy should be spent. I didn't mention that in my previous intervention. The budget tabled on April 16 focuses on public lands. However, nothing to date has guaranteed that those public lands are intended for non-profit housing projects, either exclusively or at least on a priority basis.

We can see, in the context of the federal lands initiative and certain projects carried out by the Canada Lands Company, that the affordable housing requirements are low. In some cases, only 20% of

units must be considered affordable. There's no guarantee for the non-profit sector even though it plays a key role in meeting needs. The utilization of public lands for which we've already paid collectively must therefore be monitored. That's a key element that we propose, and it probably would cost nothing.

The second element that we propose is that the Canada rental protection fund, which was just announced to protect affordable housing from speculation, be enhanced. The contribution component of that fund is inadequate, and there must be assurances that the fund will be reserved for the various types of social housing. This is an effective way to oppose speculation. It wouldn't help build new housing, but it would help maintain affordability by insulating rental buildings from the speculation dynamic.

Third, and I repeat this because it's of major importance to us, the affordable housing fund must be enhanced and earmarked solely for the non-profit sector. Considering all previously announced measures, according to my calculations, the figures don't even add up to \$4 billion reserved for social housing out of the \$40 billion remaining to be spent.

Consequently, the public funds set aside for the non-profit sector must be secured, and there must be contribution components that are clearly earmarked for that sector. That would send a message to non-profit sector actors that they can take on projects and that we encourage them to act because we need to meet existing needs.

It is extremely urgent that this message be sent. For the moment, however, funding that is clearly reserved for that in the affordable housing fund is inadequate.

There must—

Mr. Alexandre Boulerice: I apologize. This is extremely interesting, but I only have a minute left.

In the NDP, we absolutely agree that public lands must serve the public interest. They must be used to build community and co-operative social housing that meets people's needs. There have to be firm requirements. We've been saying so for years.

The mayor of Montreal recently said that she had an objective of 20% non-market housing. We, here in Canada, lag far behind certain Scandinavian countries. Do you agree that governments should work toward perhaps increasing the percentage of non-market housing to the 20% mark in Quebec and Canada?

Ms. Véronique Laflamme: This certainly provides a way out of the crisis.

The City of Montreal is talking about allocating 20% of its total housing stock to affordable housing. This would amount to roughly 40% of its rental stock. In Canada, the rate for all housing stock currently sits at around 4%, which clearly falls short. A growing number of voices are calling for action. Some Quebec municipalities and social and community housing organizations have recently set the goal of increasing the rental stock to 20% within 15 years. The federal government must also work towards this goal and provide clear targets and the resources to reach them. Otherwise, the private market will continue to hold the monopoly, leaving more and more households in the lurch.

• (1005)

The Chair: Thank you, Ms. Laflamme and Mr. Boulerice.

[English]

That was right on six minutes, so thank you.

We'll now move to Mrs. Gray for five minutes.

Mrs. Tracy Gray (Kelowna—Lake Country, CPC): Thank you, Mr. Chair.

Thank you to all of the witnesses for being here today.

Mr. Finlayson, I'll start my questioning with you.

Mr. Finlayson, do you believe that, currently, economic conditions in Canada are favourable towards new construction?

Mr. Jock Finlayson: That's a great question. It's been a very challenging environment for developers, certainly for the construction industry, in the last few years. We had the legacy effects of the pandemic, which obviously created a lot of hiccups in supply chains and accessing materials. We then had a tremendous and unexpected surge in inflation that really affected building costs in a significant way. We then went through a period of labour shortages. Those have eased, to some extent, as the economy has cooled off, but we do remain constrained on the supply of skilled labour. Then interest rates went up so that the cost of money for all businesses, whether they are construction companies or home builders and developers, has gone up.

It's been a very challenging macroenvironment. At a time when policy-makers want to see housing starts accelerate, instead they've actually been decelerating over the past couple of years because of that macroenvironment.

Mrs. Tracy Gray: Thank you. Actually, just on your last point there on interest rates and the servicing costs of debt, are you hearing from your members of projects being put on hold, or being cancelled altogether, because of debt servicing costs, which are, of course, still very high due to the interest rates being high?

Mr. Jock Finlayson: Yes. Here in the Lower Mainland and in B.C. generally, there are a great many projects that have been paused. In other words, land has been assembled and developers were planning to proceed to build the tower or a townhouse complex. However, because of the higher cost of money, because of the high inflation and the tremendous escalation in building costs, and also increasing charges, levies and fees on new development and the affordability challenges that so many households are facing, it has led to a significant pause in development activity. I think that

will come back if interest rates keep falling, but it's not helping in the short run—that's for sure.

Mrs. Tracy Gray: Thank you. Will the increase in the capital gains tax increase construction of new homes, or could it hurt investment in new home construction?

Mr. Jock Finlayson: From the private sector side, increases in capital gains taxation will have a dampening effect on—as I mentioned earlier, in response to one of your colleagues' questions—capital formation in the market economy. Maybe government will use some of the revenue to try to offset that, but in the market economy context, higher capital gain taxes will have a negative effect on homebuilding, for sure.

Mrs. Tracy Gray: Do you believe the Liberals' budgets, including the most recent one with the spending of billions of dollars, will move the needle on housing affordability?

Mr. Jock Finlayson: It's a game of margins, really. We are in such a difficult position in Canada with new housing supplies so dramatically lagging the rates of population growth and household formation, especially in many of the urban areas. I think the measures in the budget and the other components of the housing plan will help and some of what B.C. is doing here in our province will help, but it's not going to fundamentally move the dial in the short run. This is going to take a very long time.

Just as a reality check, if I might, the B.C. government has put \$2 billion aside for low-cost financing for non-market hot rental housing and a billion dollars on top of that in grants, so that's a \$3-billion commitment and they're expecting an extra 5,000 to 10,000 units to be developed over a period of several years with that pot of money. That's quite a bit of money for our province but a very modest impact.

• (1010)

Mrs. Tracy Gray: Thank you very much.

I'm almost at the end of my time here, Mr. Chair, so I would like to move the following motion and then I would like to speak to it first.

Housing is so important, and we need to continue this conversation. Therefore, I move:

Given the amount of outstanding work at this committee, the committee instructs the chair to schedule five meetings between July 8 and September 13, in order for the committee to continue its work on Canada's housing crisis and propose solutions so more Canadians can afford to buy and rent a place to live.

I'll speak to it, Mr. Chair.

The Chair: Thank you.

Give me just a moment. Yes, the motion is in order. It has been on notice for some time.

I will simply advise the witnesses that Mrs. Gray has moved the motion, which it is her prerogative to do. I, as chair, have to deal with this motion before we return to the witnesses. I would ask you to stay there while we deal with this.

I'll go to Mrs. Gray to speak on it, and then I have a speakers list.

Mrs. Tracy Gray: Thank you, Mr. Chair.

This motion is very important. At this committee, we deal with so many issues that are important to residents in my community and across Canada. Of course, housing is one of them.

Even over the last 24 hours, there have been a couple of headlines. Global News wrote, "Calgary shelter for seniors feels housing crisis pressure". The Toronto Star wrote, "It's more expensive to buy a Toronto home now than in January—even after the Bank of Canada's rate cut". In Quebec, we saw the Vivre en Ville housing director commenting on the fast-approaching July 1 moving day as being "the worst of our lifetimes."

This allows us to do important work over the summer. This motion is, in a way, to continue the work we can do in the way of scheduling, fairly, some times that work for everyone. That's why it's non-committal on the specific days and times. It allows for a lot of flexibility so that we can continue to work on solutions for the housing crisis Canadians are facing.

Thank you, Mr. Chair.

The Chair: Thank you, Mrs. Gray.

I have Mr. Fragiskatos, Mrs. Falk, Ms. Ferreri and Mr. Aitchison on the speaking list.

Mr. Peter Fragiskatos: Mr. Chair, the Conservatives have every right to put forward a motion, and I see all of them want to speak to it. However, it is more important, from my perspective, that we listen to the witnesses, whose testimony here today is very important.

With that, Mr. Chair, I move that we adjourn debate on the motion.

The Chair: It's a dilatory motion that must be dealt with.

Mr. Fragiskatos moved to adjourn the debate on the motion by Mrs. Gray.

We'll have a recorded vote on the motion by Mr. Fragiskatos to adjourn debate.

(Motion agreed to: yeas 7; nays 4)

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

Mr. Van Bynen, you have the floor.

Mr. Tony Van Bynen (Newmarket—Aurora, Lib.): Thank you, Mr. Chair.

Having been a municipal mayor for over 12 years, I tend to get a bit frustrated with some of the conversations we have relative to development charges. New developments require things like pipes, roads, waste water and facilities. I sometimes get a bit frustrated with the thinking that municipalities have a money tree they can go to in order to pay for these infrastructure requirements.

Having said that, I totally agree that this takes an all-of-government approach and that the overall model needs to change.

I'll go initially over to Ms. Laflamme. Do you think the lack of investments in co-op and affordable housing over the last 30 years has contributed to the affordable housing stock today?

• (1015)

[Translation]

Ms. Véronique Laflamme: I gather that you're talking about the impact of the lack of investment. There hasn't been a federal co-operative housing program since 1992. A new program was announced last week. However, in practice, the funding earmarked for this program will cover very few projects. Yet the clock is ticking.

This situation has indeed contributed to the housing shortage. Every province and a number of municipalities have waiting lists for co-operative and low-income housing. In Quebec alone, almost 38,000 households are waiting for low-income housing. This concerns low-income people who meet the criteria and who have properly completed an application. People no longer register for the lists because they know that it takes years to obtain housing. The average wait time is five years in Montreal and even longer in Toronto. The wait times are endless. In the meantime, people who have joined a list to obtain low-income housing become homeless.

[English]

Mr. Tony Van Bynen: Prior to the national housing strategy in 2017, how did your organization work with the federal government on building affordable housing?

[Translation]

Ms. Véronique Laflamme: Is the question still directed at me?

Mr. Tony Van Bynen: Yes.

Ms. Véronique Laflamme: Canada's national housing strategy was preceded by other programs. The previous Conservative government operated on the basis of agreements. For example, the investment in affordable housing consisted of transfers to the provinces. In Quebec, we really tackled this issue at the provincial level. We worked with the Quebec government to set up a Quebec social housing program. For 25 years, this program funded co-operative housing, non-profit organizations and projects developed by municipal housing offices.

The insufficient federal funding in the years leading up to 2017 ultimately helped increase the number of social housing units built in Quebec. However, I repeat, the funding was insufficient. In Quebec, no more than 3,000 units were funded each year. In Quebec alone, 8,000 to 10,000 units were built in certain years prior to the federal government's withdrawal.

We can see the gap and the shortfall, even though Quebec ultimately invested in social housing using, for example, federal funding earmarked for affordable housing.

[English]

Mr. Tony Van Bynen: Thank you.

I'll turn now to Mr. Oleksiuk.

[Translation]

Ms. Véronique Laflamme: I forgot to tell you how we contributed to this effort. We train our members to set up social housing projects. If you like, I could elaborate on this. Some people aren't as familiar with the work of the Front d'action populaire en réaménagement urbain, or FRAPRU.

[English]

Mr. Tony Van Bynen: Before I turn to my next question then, do you feel that there is the capacity in the social housing and co-op industry, if I can use that term, to access the funds and put together projects and organizations that will respond in a reasonably timely fashion?

Is the management and organization capacity there to go forward to create projects out of the funding that's available, and what are the timelines?

[Translation]

Ms. Véronique Laflamme: Given their design, the strategy's federal programs so far haven't helped to fund mainly housing, especially co-operative and non-profit housing. Unlike in the past, these programs haven't been self-supporting or self-sufficient. Self-sufficiency involves a government contribution on top of the mortgage paid by tenants, for example, and a municipal contribution. This is a typical example of a former Quebec program. This helps to round out the funding.

The Chair: Thank you, Ms. Laflamme.

[English]

Thank you, Mr. Van Bynen.

The committee has resources to conclude with two and a half minutes each for Madame Chabot and Monsieur Boulerice.

Is there agreement?

Madame Chabot, you have two and a half minutes.

• (1020)

[Translation]

Ms. Louise Chabot: Thank you, everyone.

Thank you, Ms. Laflamme, for your contribution.

The FRAPRU held an important conference that ended on June 9. I'm sure that it was energizing. As you said, we're making progress, even though it may not be fast enough. Changes are still taking place as a result of the contribution of social groups such as yours. You made the following statement: "The crisis will continue unless measures are taken to curb the growing unaffordability and increase the supply of housing at the same time."

What concrete steps could we take to act quickly enough?

Ms. Véronique Laflamme: The federal government has no authority to enforce mandatory rent control, which falls under provincial jurisdiction. We believe that, to curb the unaffordability of housing, the federal government must heavily invest in the non-profit sector and ensure that funding from its new federal housing plan aligns with its goals.

The many billions on the table obviously must be invested in the non-profit sector. Loans, subsidies and public lands must be prioritized for this sector. Groups that can't knock on various doors must be given the chance to access these units quickly through at least one simple stand-alone program.

Ms. Louise Chabot: Thank you.

[English]

The Chair: Now we have Mr. Boulerice to conclude.

[Translation]

Mr. Alexandre Boulerice: Thank you.

Ms. Laflamme, I won't take you by surprise. I put the same question earlier to Ms. Houle, the federal housing advocate.

Quebec Premier Legault recently said that temporary immigrants were fully responsible for the housing crisis.

Do you share this view?

Ms. Véronique Laflamme: Given what we just discussed today, my answer is no.

Mr. Alexandre Boulerice: Thank you. That clears things up.

I'll stay on the topic of federal lands. When the most recent budget was released, the New Democratic Party strongly advocated for the use of the Department of National Defence and Canada Post lands or other offices that could be converted into social and truly affordable housing.

Do you think that the federal government should move forward and that it can do so on its own and take these types of initiatives with its lands?

Ms. Véronique Laflamme: Yes.

Canada's housing plan showed the federal government's willingness to work with other levels of government. The municipalities and provinces can also play a role in using their own surplus public lands to build social housing. However, the federal government can and must take the lead when it comes to its own lands.

There are already a few examples of federal public lands in Montreal and Longueuil, including a huge piece of land in Montreal called Bridge-Bonaventure owned in part by the Canada Lands Company. The community is heavily involved and the federal government has a clear plan that could be a game-changer for the type of development that will take place.

In our opinion, given the current scarcity and high cost of land resources, the federal government's use of land could provide a major boost in a number of areas.

The Chair: Thank you, Ms. Laflamme.

[*English*]

That concludes the questioning.

We need one quick direction from the committee. We have two draft press releases, which you have. One is on the intergenera-

tional volunteerism report that will be tabled next week. The other is announcing the Centennial Flame Research Award. Is the committee agreeable to those two press releases being released?

Some hon members: Agreed.

The Chair: I see no disapproval on that, Madam Clerk, so we can proceed with the releases on those two reports.

Thank you to the witnesses for appearing today on this very important study. Thank you for your testimony.

With that, is it the will of the committee to adjourn?

Some hon. members: Agreed.

The Chair: The meeting is adjourned.

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