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Chair: Mr. Robert Morrissey





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

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• (1535)

[English]

**The Chair (Mr. Robert Morrissey (Egmont, Lib.)):** I call to order meeting number 21 of the House of Commons Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities.

Today's meeting is taking place in a hybrid format, as we have been for the last number of meetings. Members are attending in person in the room and remotely by using the Zoom application. For those attending remotely, to get the chair's attention, please use the "raise hand" icon at the bottom of the screen. For those members in the room, simply raise your hand to get my attention.

As well, this meeting is being held with interpretation services. If any member of the committee loses interpretation services, please indicate to me and we will suspend proceedings while we clarify the issue.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Thursday, February 3, 2022, the committee will commence its study of the housing accelerator fund.

I would welcome our guests. Each one will be given five minutes or less to give opening remarks.

We have Edith Cyr, general manager of Bâtir son quartier. From the British Columbia Non-Profit Housing Association, we have Jill Atkey, chief executive officer. From the City of Toronto housing secretariat, we have Abigail Bond, executive director.

We will start with Bâtir son quartier for five minutes, please.

[Translation]

**Ms. Edith Cyr (General Manager, Bâtir son quartier):** Good afternoon, Mr. Chair.

I thank the committee for inviting me to testify.

Bâtir son quartier is a social economy enterprise, a non-profit organization whose mission is to meet the housing needs of low- and middle-income households by building community housing. We have carried out 450 projects for a total of 14,000 housing units.

I will say a few words about the context, which is a major source of concern for us.

In addition to a significant rise in housing costs and low vacancy rates, we now have an increase in construction costs and rising interest rates. Low- and modest-income households are the hardest hit by this context.

For us, community housing is a defence against the insecurity the poorest households are experiencing. It proposes a lasting solution by providing affordable housing that is not subject to market fluctuations.

We were very happy to see that the government prioritized housing in the latest budget. However, I will take the liberty of submitting some recommendations related to three budget measures. It is a matter of increasing the supply, accelerating housing construction and supporting people who have housing needs.

Just increasing the housing supply does not automatically mean there will be more affordable housing or affordable rental housing. So it is essential that efforts at all levels—

[English]

**The Chair:** Madame Cyr, the interpreter has asked if you would slow down in your comments, please. They are having difficulty following you.

[Translation]

**Ms. Edith Cyr:** Am I being asked to slow down?

I'm sorry, I feel rushed by the five-minute limit.

**The Chair:** Yes.

**Ms. Edith Cyr:** It is essential for all the efforts made by all levels of government to prioritize the production and renovation of affordable rental housing. The market continues to produce on its own, without the government's help, new housing for households that don't really have difficulty finding housing.

Governments should also recognize the vital role of community housing organizations and their beneficial impact on Canadians. That recognition must translate into access to all measures and contributions that are necessary to keep paid rent at an affordable level for all community project housing.

Under federal funding for transportation, increased funding for rental projects could be possible for all new housing in the development sector focused on public transit.

Surplus federal properties have a solid housing development potential. We think a significant portion of new housing on those properties should be given to the community housing sector and be fully affordable. We think the government must be a model, an example, in this case.

Housing construction must be accelerated. Concerning the new \$4-billion housing accelerator fund, we suggest that money be contributed directly to the creation of affordable housing instead of administrative functions.

Among the obstacles is the red tape involved in program administration. Accountability is clearly needed, but it can still be adapted and improved to achieve the objective of doing things better and faster.

Project selection through calls for proposals does not guarantee the government that the best projects will be selected. The outcome of the call will just be a reflection of the opportunities that arose when the call was launched. However, real estate needs predictability to direct opportunities toward concrete achievements. Ongoing intake is still the best option for managing the measures adopted for funding community and affordable housing.

The delivery of a real property project requires a critical amount of time it is now difficult to compress to respect all the constraints. However, the more projects are ongoing, the higher the likelihood of some of them being delivered over the short term. Other projects will follow, according to the constraints to be respected and problems to be solved. So it is desirable over the very short term that a number of projects be selected across various measures. The budgets for those measures should not be spread out over five years, but rather be made available in the first two years, so that, at the outset, enough projects would be selected and enable us to meet the established targets as quickly as possible.

Building subsidies are necessary for affordable housing to be produced, but they are insufficient for very low income households. The housing allowance program exists, but, once again, the subsidy levels cannot address the shortfall. We think it would be desirable for the government to increase its participation in the program.

That requires programs that are good at handling administrative issues, have an ongoing intake and a recurrence of those measures over the next few years to help us increase and accelerate housing construction.

Thank you.

• (1540)

**The Chair:** Thank you, Ms. Cyr.

[English]

Next we'll go to Ms. Atkey from the British Columbia Non-Profit Housing Association.

Go ahead, Ms. Atkey.

**Ms. Jill Atkey (Chief Executive Officer, British Columbia Non-Profit Housing Association):** Thank you very much for the opportunity to speak to the committee today.

My name is Jill Atkey. I'm the CEO of B.C. Non-Profit Housing Association, which is the industry association for non-profit housing providers in British Columbia. I was also a panellist on the expert panel on the future of housing supply and affordability, which was appointed by the federal and provincial ministers of finance and which put forward a recommendation for a similar fund to encourage and incentivize housing supply.

I'll start out by saying that I absolutely support the comments of Edith. In my comments today I will raise six principles to consider in the design of the housing accelerator fund specifically.

First off, we need to reward the type of housing that we want to see more of in our communities. Some are going to argue that all supply is the right supply. I agree that this is true for rental housing. On ownership, we're seeing so much equity in the system that much of the new supply that's built gets consumed by existing homeowners who are buying second, third and fourth properties as investments. The acceleration fund should prioritize the type of housing we desperately need in our communities, which is affordable rental housing and family-sized housing.

The second principle I'd like to raise is to be cautious of a focus on unit counting. It's really important that government sets goals, and it has under this program. I speak from experience on this, as our advocacy has often fallen into a similar trap. A really strict focus on the number of units encourages developers to build and municipalities to approve studio and one-bedroom units and not a lot of two-, three- and four-bedroom homes or homes large enough for multi-generational households. The number of homes is important, but if incentives are on offer, the types of homes also matter.

Thirdly, the accelerator fund should require annual per-door incentives to be spent on affordable housing. If the accelerator fund includes per-door incentives, Canada should require that those funds be spent on affordable housing, which would help to close the gap on the national co-investment fund projects or even RCFI projects under the new criteria set out in our most recent federal budget.

Canada committed to building 50,000 new homes in the community housing sector over 10 years. We're not yet on track to meet this target. A move of tying annual per-door incentives to spending on affordable housing could help to fill that gap by requiring municipalities to spend those dollars directly on affordable housing.

Fourth, reward municipalities that create the right conditions for non-profit housing development. When a non-profit project enters the municipal approvals process, it's sensitive to three critical risks: time, cost and uncertainty of approval. A rezoning—and many of our projects go through rezoning—will add months to the project and add costs in the range of \$500,000 to a million dollars, all at the expense of the tenants who will face increased rents as a result. Recent bylaw amendments in municipalities like Victoria and Vancouver mean that non-profit developers can bypass rezonings and public hearings in many situations, eliminating or at least reducing all three of those risks. Municipalities that put forward such actions to eliminate those three barriers and make non-profit and co-op housing allowable as of right now should be rewarded by this fund.

Fifth, encourage intensification of existing residential areas. Too much of our residential-zoned land in large urban centres is zoned exclusively for single-family housing, pushing new supply into condo and rental towers along polluted and busy arterial roads. Homeowners are resisting even moderate density increases in their communities. The accelerator fund should incentivize intensification of these inclusionary zones and disincentivize new greenfield development, particularly in the midst of a climate emergency.

- (1545)

Finally, require strong protections for renters. A great deal of our new housing supply in urban centres comes through the redevelopment of existing properties. This is particularly true for rental development. This is in part because of the exclusionary zoning I mentioned previously, and in part because the assets are aging. With new incentives like the accelerator fund, this process of redevelopment will intensify and displacement will become an even bigger concern. The fund should require that strong tenant protections are in place for redevelopments.

While the government will surely have many additional considerations when designing the accelerator fund, these few guiding principles will help steer the program in the right direction.

I thank you for your time today, and I'm happy to answer any questions when the time comes.

**The Chair:** Thank you, Ms. Atkey.

We will now go to Abigail Bond from the City of Toronto. I would ask you to please speak slowly, as the interpreters do not have a copy of your text.

**Ms. Abigail Bond (Executive Director, Housing Secretariat, City of Toronto):** Okay.

Thank you and good afternoon, everyone, from Toronto. This is the traditional territory of many nations, including the Mississaugas of the Credit, the Anishinabe, the Chippewa, the Haudenosaunee and the Wendat people.

The housing affordability crisis is affecting Toronto significantly, and playing our part in addressing it is a priority for the City of Toronto. We have almost 9,000 people each night staying in our shelter system, and Toronto has the highest number of households in core housing need of any major city at 23%, or 240,000 households.

A recent report by the Toronto Region Board of Trade and WoodGreen states that not taking action on affordable housing could cost the greater Toronto area economy around \$8 billion over the next 10 years. We welcome the government's indication of both the \$4 billion for the housing accelerator fund and the promise in the budget for additional investment in the national housing strategy.

The solutions to housing affordability are complex and require all-of-government and all-of-community responses. Building on some of the comments of the previous witnesses, some of the key principles that will make the housing accelerator fund successful are flexibility; being performance-based, simple and predictable; the ability to be aligned or stackable; being rapid; and being transformational.

At the city, we know that housing supply is affected by density and municipal approvals, and we know how streamlining approvals benefits affordability. We continually improve through our “concept 2 keys” program and see the potential funding from the accelerator fund to be beneficial. It will give us an opportunity to learn together about what is affecting supply and how that in turn affects affordability.

In Toronto, for example, the number of homes approved does not equal the number of homes built. On average, we approve 28,000 residential homes a year, and around 15,000 of those homes are built. There could be many reasons for this, including economic factors, building industry capacity, supply chains, labour shortages, etc.

We also want the accelerator to incentivize the affordable housing supply that will create density adjacent to transit. We suggest that the funds should be flowed directly and up front to cities like Toronto, creating more funding certainty. This builds on the successful rapid housing initiative approach, where accelerator funding could be provided up front and directly to cities so we can better plan our supply of affordable housing, rather than going project by project.

We currently have 109 affordable housing projects, with around 19,000 affordable homes in various stages of approval and construction. If you give us accelerator money up front, we can roll up our sleeves and start to deliver some of those homes faster and with more affordability. We absolutely expect to be held accountable for increasing housing supply, based on the homes we approve and based on things that are in our control. If we can spend accelerator money on our local housing needs and supply line, we can also ensure that affordable homes are constructed.

Low cost and innovative financing through national housing programs like RCFI has been essential, but it has been insufficient. We estimate that we need grants of around \$150,000 per affordable rental home to build in high-value, dense and urban locations next to transit. An accelerator provides us an opportunity to stack this, along with other national housing strategy programs.

We can focus our supply on the needs of meeting equity-deserving groups, as many of them are experiencing poverty and housing challenges to a much greater degree than our average resident. The accelerator fund could also help us deliver on our indigenous housing goals, supporting our truth and reconciliation approach.

New housing supply on its own is insufficient to solve our affordability crisis, not least because our most valuable affordable housing is the supply we already created. We can use accelerator money to support programs like tower renewal or our multi-unit residential acquisition program to support non-profits to buy, secure and reinvest in existing affordable rental homes.

Finally, I want to say that here at the City of Toronto, we are ready to deliver on our share of those 100,000 homes. If you could give us the accelerator money today, we could start delivering tomorrow.

Thank you for your time.

● (1550)

**The Chair:** Thank you, Ms. Bond.

We will now open the floor to questions, beginning with Mr. Jeneroux.

You have six minutes, Mr. Jeneroux.

**Mr. Matt Jeneroux (Edmonton Riverbend, CPC):** Thank you, Mr. Chair. It's good to be back at one of my favourite committees, HUMA.

I want to thank the witnesses for their testimony today. I'll get right into my questions.

On the housing accelerator fund, obviously, we're still very much in the consulting phase. That's why we're looking for some of your advice on how best to shape some of this. The program falls under the national housing strategy, which we've seen, in five years and \$24.9 billion committed, has only built 91,000 new units, according to the government's budget. This new program alone is expected to build more than that, 100,000 more units, new middle-class homes, in the same time period, five years, with \$4 billion. I guess I'm a little bit skeptical that will happen, as that's more homes than all the programs under the national housing strategy combined.

I'll start with you, Ms. Bond, and then perhaps go over to you, Ms. Atkey.

Are you as skeptical as I am? If the answer is no, which I expect it will be, is there any advice for the government on how to shape this fund so that it's actually a good program that will achieve the results we're all hoping to see?

**Ms. Abigail Bond:** Thank you.

What we've heard about the housing accelerator fund so far is that it is really focused on an increase in housing supply, not just affordable housing supply. Many of the national housing strategy actions and programs are really focused on delivering affordable supply. That takes more money. It takes a different set of partners. It takes a more intensive effort.

We see an opportunity for a win-win here for government to create that large number of supply units but also to see a growth in affordable supply as well. We would encourage further thinking about—and I think some of the other witnesses mentioned this—building in the right locations and encouraging a variety of different units. We can really make a difference and harness the market, which is already building supply, to build a better supply that better meets the needs of Canadians.

● (1555)

**Mr. Matt Jeneroux:** I want to come back to that exact point, but maybe we'll get you, Ms. Atkey, if you don't mind, to provide some comments.

**Ms. Jill Atkey:** Thank you, Mr. Jeneroux.

I echo in some ways Abi's comments. To your direct question as to whether or not I'm skeptical, I probably wouldn't be in this business if I weren't an optimist. I absolutely believe that the target is achievable. As Abi mentioned, existing programs under the national housing strategy really are focused, to a certain extent, on more affordable supply, which does require more risk within the non-profit sector and a different set of partners. We've seen incredible slowdowns through the process.

I think that Abi, in her introductory comments, also mentioned something really important, which was around escalating costs of new construction, as well as labour costs. The existing target of 100,000 new homes is achievable and to some extent is already happening in this country.

Getting back to the key principles that I mentioned, they need to be the right units in the right locations, targeted at the right populations, to be truly effective in meeting affordability targets.



**Mr. Matt Jeneroux:** Can I put you down as optimistic but cautiously watching as we move forward? Is that a fair assessment, Ms. Atkey?

**Ms. Jill Atkey:** I would say that's a fair assessment, yes.

**Mr. Matt Jeneroux:** Okay, perfect.

Lots of the stuff that we find we run into obviously falls under the municipalities—permitting, zoning, etc. However, a big issue in many of the big cities we see is Nimbyism. We hear countless stories of residents fighting and halting municipalities and developers from building in their areas, especially when it comes to affordable housing. Could you expand on this, and perhaps share how any Nimbyism delays or affects the approval of new builds, specifically when it comes to affordable housing?

Ms. Atkey, why don't we go back to you first and then maybe over to Ms. Bond?

**Ms. Jill Atkey:** In the most direct sense, the way that it affects non-profit housing getting developed is that we've actually had projects that have been halted and turned down in British Columbia because of Nimbyism most directly.

I would say that's still reasonably rare. In the last five years I know of three or four projects that have been turned down because of community opposition, but the way that it most directly impacts—

**Mr. Matt Jeneroux:** I'm sorry, Ms. Atkey, but before we move on from that point, of those three or four projects, do you see room in this accelerator program to be able to address that, or would those issues still remain with those examples?

**Ms. Jill Atkey:** I think to a certain extent we're always going to see some level of community opposition, because we're past the point where “easy projects” are done—so greenfield developments where you're going to run into less opposition. We're seeing intensification of urban areas and significant change in communities. There is going to continue to be opposition, but where the accelerator fund could be helpful is in requiring municipalities to intensify existing areas and incentivize them to approve projects through, for example, a per-door sort of reward for the approval, which gives that direct incentive but also in some ways provides a bit of political cover.

To your earlier question, the other ways that non-profit developments are—

**The Chair:** Thank you, Ms. Atkey. Perhaps you could do a short windup.

**Ms. Jill Atkey:** Thank you. I'm okay. I would have taken too long.

**The Chair:** Yes, and we're over by a minute.

Thank you, Mr. Jeneroux.

Now we go to Madame Martinez Ferrada for six minutes.

• (1600)

[*Translation*]

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

My question to begin is for Ms. Cyr, from Bâtir son quartier.

Ms. Cyr, you mentioned the problems that can arise in building affordable housing. In particular, they can include housing and municipal zoning policy, obtaining permits and acquiring land.

How could a housing accelerator fund help speed up the construction of housing in municipalities?

**Ms. Edith Cyr:** When I talk about the steps that cannot be shortened, I mean there is a limit to what can be accelerated. As the saying goes, you cannot make a plant grow by pulling it out of the earth. There are steps that have to be taken for zoning regulations, among other things. That cannot be avoided. We could of course review those regulations. There is coordination of regulations between the districts of Montreal and central planning, for instance. There is homework for all the municipalities in this regard.

People have talked about enriching the fund you just mentioned. For my part, I said direct investment is needed in housing construction rather than in administrative measures. In my opinion, that is the way we can achieve affordable housing goals. The advantage of this fund is that it allows municipalities to decide how to address affordable housing needs. It would be disappointing if the fund were used exclusively to address the administrative aspects of projects.

**Ms. Soraya Martinez Ferrada:** If I understand what Ms. Atkey said, the needs can vary from one municipality to another. The fund could help a municipality buy land, for instance, but not all municipalities would necessarily need to help for that.

**Ms. Edith Cyr:** Precisely.

[*English*]

**Ms. Soraya Martinez Ferrada:** Ms. Atkey, do you want to comment?

**Ms. Jill Atkey:** Yes, that's correct. I think it relates back to a point that Abi made about flexibility. The needs in every community are going to be different. We have municipalities in our region here in the Lower Mainland and other parts of British Columbia that have gone through and pre-approved non-profit affordable housing. A thousand units in Vancouver have gone through the approvals process. The City of Burnaby has five sites ready to go, pre-zoned for the development of affordable housing, yet they're waiting for funding from—

**Ms. Soraya Martinez Ferrada:** I don't have a lot of time, but just so I know, what you're saying is a bit like what Madame Cyr is saying, which is that instead of giving the money to the municipalities in terms of administration and policy, give the money directly to projects to make sure that it's actually going to the construction and not the administration of the municipality for their zoning and planning.

Is that what you're saying?

**Ms. Jill Atkey:** I think a municipality could be rewarded for having the right processes and streamlines in place, but any money that comes from the federal government needs to be attached to direct spending in affordable housing so it would go into those projects and close the gap that exists in national housing strategy programs right now.

**Ms. Soraya Martinez Ferrada:** Mr. Chair, I don't know how much time I have left.

**The Chair:** You have two minutes, Ms. Martinez Ferrada.

**Ms. Soraya Martinez Ferrada:** Great, so we have time.

[*Translation*]

Ms. Cyr, like Ms. Atkey, you talked about the possibility of reducing the funding gap for projects.

Does that mean that the housing accelerator fund for municipalities should be closely tied to the entire provincial funding structure, for instance?

**Ms. Edith Cyr:** Who is your question for?

**Ms. Soraya Martinez Ferrada:** It is for you, Ms. Cyr.

**Ms. Edith Cyr:** We would that the government programs have the flexibility to complete existing programs and, where there are no existing programs, we would also like to see stand-alone government programs. There has to be some openness because there are many needs and the projects and realities differ from one community to another.

We would like there to be enough openness for the program to be adaptable and flexible so we can meet the goal. So the funding methods have to be rounded out because right now it is quite rate for a single program to provide the total funding. The rapid housing initiative (RHI) makes this possible.

In many cases, we have to look all around to find funding from various sources, and that takes time. That is not the best when you want to speed things up. So if the programs are linked, at least, that would be helpful.

• (1605)

[*English*]

**Ms. Soraya Martinez Ferrada:** Ms. Bond and Ms. Atkey, how do we level the playing field for community organizations to tap into the programs, especially in the accelerator fund? What can we do to make sure that community organizations and non-profit organizations can go and get help from those programs?

[*Translation*]

**Ms. Louise Chabot (Thérèse-De Blainville, BQ):** Mr. Chair, I have no interpretation.

[*English*]

**The Chair:** Is it interpreting now, Madame Chabot?

[*Translation*]

**Ms. Louise Chabot:** There is interpretation now, but was not for the last question.

[*English*]

**The Chair:** Okay.

Give a short answer to Ms. Martinez Ferrada's question, please.

**Ms. Jill Atkey:** I can take a run at that.

The way to level the playing field, and this is a process under way, is to restructure both the co-investment fund and the rental construction financing initiative, because the landscape has changed since those programs were introduced in 2018.

Abigail touched on it. The need in large urban centres for additional grant money in order to build truly affordable housing has shifted dramatically over the last four or five years, so a restructure of those programs is required. The housing accelerator fund can make up some of that difference.

**The Chair:** Thank you, Ms. Martinez Ferrada.

Madame Chabot, you have six minutes.

[*Translation*]

**Ms. Louise Chabot:** Thank you so much, all three of you, for your very relevant testimony today. We could listen to you for hours longer. If there is an issue that encompasses social, human and political concerns, it is definitely housing. Not a day goes by, in all regions and municipalities of Quebec, without the housing crisis being mentioned.

I am wondering about the housing accelerator fund. It is not that I am not an optimist, and I like to see the glass half full, but it is clear that there is a tremendous gap between the supply and demand for housing, not to mention unemployment rates and the fact that some housing is not suitable for families.

Ms. Cyr, in your remarks you asked that the process be accelerated so that this \$4 billion fund, which is supposed to be spread out over five years, instead be disbursed in two years, and that the funding be made available immediately. You believe that this would make it possible to accelerate project development rather than merely provide administrative support.

Could you elaborate on that please?

**Ms. Edith Cyr:** Yes, thank you.

The development of housing projects is an obstacle course. If the goal is to build 10,000 units in one year, and we begin 10,000 projects, we will not meet the goal. To meet the goal, we would have to be twice or maybe three times as many projects. For some projects, things start off well, but problems come up along the way, slowing things down. They are finished eventually, but not quickly.

So if we start two or three times more housing projects than the goal, it is definitely possible to reach the goal in the intended timeframe, whether that is two years or five years. But if they are spread out over five years, we will not reach the goal in five years.

We have seen this with the completion of projects in Quebec. For programs that were spread out over several years and where extra ones could be added, we were better able to meet the housing targets as compared to when things were tight, without recurring programming, and when administrations had to choose the exact number of projects. In those cases, the projects were not all completed within the expected timeframe and the goals were not met.

• (1610)

**Ms. Louise Chabot:** Thank you.

I would like to ask for a clarification. To my mind, there is a distinction, and perhaps I am mistaken, between affordable housing and social and community housing. In Montreal, it was determined that rent of \$2,200 per month was affordable housing.

Do you think we rely too much on the private sector as opposed to the community sector in terms of the type of fund we want to establish?

**Ms. Edith Cyr:** I have to say that I do favour community housing.

There is a huge housing crisis and we need more tools. I agree on that. We need a lot of tools in our box. Community housing does nonetheless have a proven record of meeting affordable housing goals in the long term. I would be in favour of increasing community housing goals, even if the private sector is called upon to contribute and is subject to certain requirements.

Yes, I would of course like to see a greater role for community housing.

**Ms. Louise Chabot:** I have one final question for you, Ms. Cyr.

It is worrisome to see that, in several Quebec regions, people have to spend more than 30% of their income on rent.

You mentioned rent subsidies in Quebec. Is that for individuals?

**Ms. Edith Cyr:** It is for individuals.

**Ms. Louise Chabot:** Okay.

**Ms. Edith Cyr:** For housing projects, assistance for building and renovating housing units is very helpful. Even with subsidies, there is still not enough assistance for low-income individuals. What is needed is what we call individual assistance. So when affordable housing programs are established, a mixture is needed. There are households with modest incomes, but also those with lower incomes that need additional help.

Quebec has the rent subsidy program. Federal programs also provide individual assistance, but it is not enough to close the gap between the cost of rent and the individual's ability to pay.

**Ms. Louise Chabot:** That should not come from the \$4 billion housing accelerator fund that was announced. An additional fund is needed. Is that what you are saying?

**Ms. Edith Cyr:** Wherever the money comes from, there is tremendous need. That said, I would rather do a bit less and meet

the goals to help those in greatest need rather than say that we cannot do it, or instead do even more but still not help those Canadians in the greatest need.

[English]

**The Chair:** Thank you, Madame Chabot.

Next is Ms. Zarrillo for six minutes.

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

I'll start my questioning with Ms. Atkey first and talk about not leaving people behind. I want to focus on the strong tenant protections that she spoke about. Then I'll go to Ms. Bond on using what we have in regard to what's already built, and I'll have some questions about short-term rentals there. Then, if I have time, I'll go to Ms. Cyr, just to talk about the operating funds versus subsidies to cities.

I'm going to you, Ms. Atkey, for my question on strong tenant protections. I know that right now the number is about 3:1 on displacements of old or aged affordable housing versus what's being built. I worry a lot about persons with disabilities, single parents and seniors who are in these housing units. I wonder if you could expand on what those strong tenant protections need to look like and if you have any additional information on what's happening to renters in this redevelopment market that we see in urban centres.

• (1615)

**Ms. Jill Atkey:** Thank you for the question, Ms. Zarrillo.

First, on the 3:1 ratio you mentioned, through acquisitions, there are a significant number of investors purchasing older purpose-built rentals. We know that in British Columbia we lost about 34,000 units of rental housing renting below \$750. For every new unit of affordable housing we're building, we're losing three units.

Nationally, that figure is 1:15. Abi spoke to the need for an acquisition strategy, and that's exactly what gap this would fill to stop the loss of existing rentals, because those are really the most affordable rentals that we have today.

Also, then, on displacement, increasingly municipalities are introducing strong tenant relocation and tenant protection measures. There are really no provincial protections in place, and certainly not any federally, but it's more of a provincial mandate. There are no provincial protections in place when a rental building gets redeveloped. Oftentimes, redevelopment is really critical because we get additional supply from that redevelopment, but we need to make sure tenants are protected through that.

If we're going to be incentivizing new rental development through the acquisition strategy, I would suggest that needs to come attached to really strong tenant protection provisions so that people, when displaced, are not seeing a rapid escalation in their rents and have first right of refusal to come back to the new redevelopment at existing rents.

I hope that answers your question.

**Ms. Bonita Zarrillo:** It does. Thank you so much. It's so important to make sure that those who are being displaced can come back to a unit they can afford—for sure.

I'm going to go to you, Ms. Bond. There are limitations. You mentioned trade and supply chains and those sorts of things, and then you mentioned the opportunity to utilize what's already built, what we already have, and how can we accelerate what we already have to make it maybe expand the number of units or upgrade or the maintenance.... I wanted to ask you if you could expand on that a bit.

Also, I hear a lot about short-term rentals in some of these new builds. I know in that my city of Coquitlam, where I was before, I've heard about 10, 12 and even more units being bought by one person and being used for short-term rentals. Even on housing agreements, the language in the housing agreement talks about a minimum of only 30 days, so I'm just wondering if there's an opportunity to do something around limiting short-term rentals in already built inventory.

**Ms. Abigail Bond:** Obviously the housing accelerator fund is very much focused on new supply. I just want to highlight that, at the city, should we be able to secure some of the funding from the accelerator, then we can use that to respond to local need and local priorities. One of our key objectives is not just to look at the creation of new affordable rental supply but to support partners to protect what we already have.

We have a couple of big programs at the city. We have a tower renewal program, and we also have a multi-unit residential acquisition program that puts non-profits in great positions so that they can bid and acquire units on the market and secure them as long-term affordable housing. They may be naturally occurring affordable housing, but unless they're secured, then that can often change as a result of speculation. This is a local issue here at the city, and we could really apply the accelerator fund to help us with that.

On your question about short-term rental, I think you touched on something, which is that there isn't going to be one solution to our affordability crisis. Again, we need to protect existing supply. We don't just need to create new supply.

We also need an innovative and creative housing policy like precluding short-term rentals or limiting the impact on market rental

supply. In addition, I would also include in that basket of policies things like a vacant homes tax, for example, so that we're really utilizing the supply we've created over many years to the benefit of the people who live and work in our city.

**The Chair:** Ms. Zarrillo, you have 12 seconds.

**Ms. Bonita Zarrillo:** Very quickly, do you have some data around who's living in these units? As I mentioned earlier, I'm concerned about persons with disabilities getting displaced along with single mothers and seniors. Is there any data that you could share in writing later with this committee about who is in some of that older housing supply, especially rentals, right now?

● (1620)

**The Chair:** Thank you.

**Ms. Abigail Bond:** Yes, we could look to see what we can provide for you on that. I don't have data with me right now, but we can certainly look. I'm sure other witnesses here would have information as well.

**The Chair:** Any witness, if you have information you can provide in writing to the committee, it would be greatly appreciated.

Now we have Mrs. Kusie for five minutes.

[*Translation*]

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

I would also like to thank the witnesses for being here today.

[*English*]

Eight hundred dollars is how much it costs right now to pay someone to stand in line for a passport at Service Canada. Many Canadians across the country are showing up at 8:30 a.m. and sleeping overnight in an effort to obtain service. In one situation, a family made five unsuccessful attempts to go to Service Canada to receive service and were not successful in receiving their passports.

Canadians are suffering, putting off weddings, births, family vacations, honeymoons and, in far too many cases, funerals. This government restricted travel for Canadians for an extended period of time.

**Mr. Michael Coteau (Don Valley East, Lib.):** I have a point of order, Mr. Chair.

**Mrs. Stephanie Kusie:** They had the opportunity to anticipate the pent-up demand and prepare for it.

**The Chair:** Mrs. Kusie, there has been a point of order.

**Mr. Michael Coteau:** Obviously this is an important issue that the member is speaking about, but are we talking about the accelerator fund and housing right now?

**The Chair:** I do not believe so.

**Mrs. Stephanie Kusie:** I'm getting to my point. Thank you.

**The Chair:** Could you get back to the topic, Mrs. Kusie?

**Mrs. Stephanie Kusie:** Thank you.

The government was also aware of the anniversary of the 10-year passport being implemented and failed to prepare for that. Canadians are frustrated and heartbroken. They need action and solutions.

With that, Mr. Chair, I move:

That the committee invite the Minister of Families, Children and Social Development to appear for one hour on the Service Canada delays for passport renewals and that this meeting take place before May 30, 2022.

**The Chair:** Thank you, Mrs. Kusie.

Mrs. Kusie has moved a motion. Is there any discussion on that motion? The motion is in order.

**Ms. Soraya Martinez Ferrada:** Mr. Chair, I'm trying to raise my hand.

**The Chair:** I'm sorry.

Go ahead, Madame Ferrada.

[*Translation*]

**Ms. Soraya Martinez Ferrada:** Mr. Chair, I thank my colleague for tabling this motion and, like her, I understand that this is an important issue right now.

I would support her motion if she will agree to an amendment to invite departmental officials to appear when the minister appears before the committee.

[*English*]

**The Chair:** We have an amendment.

[*Translation*]

**Mrs. Stephanie Kusie:** Actually, inviting the minister would be enough. We would of course welcome departmental officials, but it is very important for the minister to be here.

Thank you.

**Ms. Soraya Martinez Ferrada:** Mr. Chair, we are agreeable to that. We are dealing with something right now that is just as important, if not more important, since it pertains to long-term housing. So I would invite my colleague to proceed quickly so we can support her motion and return to the witnesses who are with us today.

**Mrs. Stephanie Kusie:** I can make [*technical difficulties*] so we can finish with the witnesses after the vote.

Thank you very much.

[*English*]

**The Chair:** Thank you, Mrs. Kusie.

Committee members, we have a motion moved, which was in order, by Mrs. Kusie. There was an amendment moved by Madame Martinez Ferrada.

We will deal with the amendment first. I will need to do a recorded vote because we have some members attending virtually and some here in the room.

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

**The Chair:** We'll now move to a recorded vote on the motion of Madam Kusie as amended.

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

**The Chair:** I will turn to Mrs. Kusie for three minutes.

It's my understanding that the practice of the committee is to suspend while a vote is being carried. You've used up approximately three minutes.

• (1625)

**Mrs. Stephanie Kusie:** I will cede my time. Thank you.

**The Chair:** Thank you, Mrs. Kusie.

We'll now go to Mr. Coteau.

**Mr. Michael Coteau:** Thank you so much, Mr. Chair.

I will be sharing half of my allocated time with MP Collins.

Ms. Bond, I found your presentation very interesting. On the fact that 19,000 units are currently being built in the city, the last time I checked there were about 80,000 people waiting for some type of community housing in Toronto, but when it comes to affordable housing in general, I think that number would be much larger.

I have a couple of questions.

Number one, when we use the term “affordable housing”, from a Toronto perspective—and I'm asking this because I represent a riding in Toronto—what are we talking about? In the accelerator fund is there an opportunity to look at alternative or non-traditional housing possibilities, including secondary suites, lane homes, garden homes, tiny homes and things like that? Are there opportunities there for the city to work with the federal government to look into that type of development of units as well?

**Ms. Abigail Bond:** The short answer to the last part of your question is yes. I think there are lots of opportunities for the housing that is often termed “missing middle housing”, “middle density” and “gentle intensification”. There's lot of opportunity there, and the city is definitely working on some of those policies.

In terms of affordable housing, I would describe two different types of housing in the city that we look to create. One is affordable housing where there's still a link to the market, but it's subsidized, as opposed to community or social housing where the rent that you pay is really linked to your income. With respect to the challenge we referenced with regard to affordable housing, I would just highlight that the stackability of the national housing strategy programs actually relates to affordable housing. If we want, collectively, to build community or social housing, many of those units will need ongoing subsidies in addition to the capital subsidies necessary. That's an even bigger hill to climb to deliver that kind of housing in an expensive urban environment.

• (1630)

**Mr. Michael Coteau:** Thank you so much for your time.

I'll turn next to MP Collins.

**Mr. Chad Collins (Hamilton East—Stoney Creek, Lib.):** Thank you, Mr. Chair.

Thank you to the witnesses for their attendance today.

I think we need to set the record straight, first and foremost, on the national housing strategy and what it has provided in terms of supports. Just to be clear, to date it's \$30 billion for 440,000 units, and that's not just new units but renovation and repair as well. I think that's important to get on the record.

Ms. Bond, I think I wrote this down properly. You mentioned in your submission that 28,000 residential homes per year are approved by the City of Toronto and 15,000 are built. I wrote down here that 60,000 are permitted but not built. We have a Conservative leadership candidate who has tried to portray municipalities as the bad guys for the lack of housing supply. As someone who's been in the municipal field for 25 years, I know full well that municipalities are doing everything they can, and your numbers certainly dispel the myth that's been created by this person.

Thank you for providing that, but can I just confirm I have those numbers right? You said 28,000 units per year, 15,000 of which are built, and 60,000 that have been permitted but haven't been constructed by the developer.

**Ms. Abigail Bond:** Yes, I can confirm that those numbers are correct.

You highlighted an important issue for us, which is that whilst we're doing well to actually create housing supply and are seeing our inventory grow at about 1.7% a year while our population is growing at about 1.1%, the challenge is that the market, the supply that's being created, is not necessarily meeting the affordability needs of the population who live in our cities.

That's one of the things that's creating the crunch, and we would be very open to the accelerator helping us not just to see units approved—which is important, and we have our part to play in that—but to see them actually built as well.

**Mr. Chad Collins:** Thank you for that, which leads to my next question around the issue of affordability—

**The Chair:** Make it as short question, Mr. Collins.

**Mr. Chad Collins:** —and that concerns the administration question versus direct support for bricks and mortar.

Can you comment on where you think the better bang for the buck is in providing support to municipalities?

**Ms. Abigail Bond:** I can really only speak on behalf of the City of Toronto. We definitely see some benefits from investment in soft infrastructure to help with the planning process, staffing and resources. However, I think the majority of the funds that we would want to apply would be to more directly for local housing need, such as building and also buying land or investing in existing affordable housing projects, so that we can close the gaps on some of the other national housing strategy programs. I think that would be a real target for us for that money.

The money, potentially, if it came directly to us, would flow through us to non-profits and in some cases to developers who are actively building those kinds of mixed-income, affordable rental housing projects.

**The Chair:** Thank you.

Thank you, Mr. Collins.

Because we were dealing with committee business, we will conclude the round and this first hour with Madame Chabot and Ms. Zarrillo.

Are the witnesses okay with staying for another six or seven minutes? I know you were scheduled for the first hour to conclude at 4:30.

I see agreement.

Madame Chabot, you have two and a half minutes.

[*Translation*]

**Ms. Louise Chabot:** Thank you.

You are talking about some important examples, as well as major issues in large urban centres.

Let me to explain my question. In Quebec, people live in urban areas, but they also live in the regions and in rural areas. Ms. Cyr, you talked about how construction costs and inflation may differ from region to region, or from a rural setting to an urban one.

How do you see this in terms of adjusting funding for housing, the construction of new units, and project continuity?

**Ms. Edith Cyr:** It is true, costs can vary from region to region. Land can be more expensive in urban areas. People in the regions say that land might not be more expensive, but other things are more expensive.

So the important thing is to have a rent target, because people's income is the same if they are receiving benefits, regardless of the region where they live. So we need to know what the costs and variations in costs are from region to region, as a function of various criteria.

So it is possible to adjust funding programs while taking into account certain realities. We sometimes create categories, recognizing the realities in urban areas and other realities in regional areas.

In closing, I think it is possible to adjust the subsidies by region, while still having a target, namely, rent that is within reach for the household.

• (1635)

**Ms. Louise Chabot:** So the target should also be based on income and geared to those with lower incomes and more vulnerable people.

**Ms. Edith Cyr:** Rent should not be fixed according to income, but it must be geared to those with lower incomes.

**Ms. Louise Chabot:** I was referring to the portion of income spent on rent. Is that what you mean?

**Ms. Edith Cyr:** That's right.

**Ms. Louise Chabot:** In terms of federal properties, you said they should be transferred to the community sector. Perhaps I misunderstood, but that is what I noted.

**Ms. Edith Cyr:** I said the government should lead by example. It should be a model. I think the not-for-profit approach is tried and tested, in terms of affordable housing in the long term.

To my mind, leading by example means federal sites having a large percentage of housing units earmarked for not-for-profit sectors, to ensure long-term affordability. I would not say all units, but a large percentage.

**Ms. Louise Chabot:** Thank you very much.

**The Chair:** Thank you, Ms. Cyr and Ms. Chabot.

Ms. Zarrillo, you have the floor.

[English]

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

I'm actually going to go back to Ms. Atkey, because I'm very interested in speaking about the rental opportunities and accelerating the rental needs.

I just want to dig a little bit deeper on the short-term rental apps. We know that some of these apps, in all of our economy, are not necessarily regulated so well. I am wondering, with respect to the short-term rental apps, whether your organization has access to data around those app providers for short-term rentals and whether you have any insights in that area as to whether we could potentially un-

leash some housing units fairly quickly if we addressed multiple units used for short-term rental through an app.

**Ms. Jill Atkey:** Thank you for the question, Ms. Zarrillo.

We don't have direct access to data from the apps, but I am aware of a number of studies that have explored the impact of short-term rental on the rental market more broadly. Some of the municipal restrictions on short-term rental have been quite effective. I think it speaks to a greater need in terms of, if we're looking at the accelerator fund, the quick wins that may be possible. It relates as well to a point that Abby made around approvals versus what gets built.

In British Columbia we have 10,000 affordable homes that have made it through the municipal approval processes, have been fast-tracked by municipalities and are actually waiting for funding from senior levels of government. That's 10,000 affordable homes in the non-profit sector right here in British Columbia. I'm sure a similar pattern exists right across the country. All of a sudden those 100,000 homes become quite achievable if we have the right programs structured in the right way, so it's looking for those quick-win opportunities.

The challenge with doing that with short-term rental is just being able to do it at scale. It's challenging for non-profits to access those units on a one-off basis. I would rather see incentives and funding in place to get approved housing built out in the next couple of years.

• (1640)

**The Chair:** Thank you, Ms. Zarrillo.

Thank you to all the witnesses for appearing today on this important study.

That concludes the first hour. We'll suspend for a few minutes while we transition to in camera to return to the consideration of the seniors report.

Again, thank you witnesses.

[*Proceedings continue in camera*]







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