



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

44th PARLIAMENT, 1st SESSION

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

EVIDENCE

NUMBER 048

Monday, December 5, 2022



Chair: Mr. Robert Morrissey

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

Monday, December 5, 2022

• (1530)

[English]

The Chair (Mr. Robert Morrissey (Egmont, Lib.)): I call the meeting to order.

Welcome to meeting number 48 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, pursuant to the House order of June 23, 2022. Members will be appearing in person in the committee room and virtually.

To ensure an orderly meeting, I would like to take a few moments to review some things with you.

Before speaking, please wait until I recognize you by name. Those participating virtually, please use the "raise hand" icon. Before speaking, click on the microphone to activate your own mike. In the committee room, the microphones will be controlled by the proceedings and verification officer. The clerk and I will manage the speaking order.

You may speak in the official language of your choice. I will ask you to speak slowly so that the translators have the ability to interpret you correctly. If something happens with translation services during the meeting, please get my attention and we will suspend while they are being clarified.

If you are appearing virtually and not using a House of Commons-approved headset microphone, then I will not recognize you to participate in the meeting.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Monday, November 21, 2022, the committee will commence its study of the national housing strategy.

I would like to inform all members that the witnesses appearing virtually today have completed the technical connectivity and equipment tests.

I would like to welcome our witnesses to begin our discussion with five minutes of opening remarks followed by questions.

Today, from the Canada Mortgage and Housing Corporation, we have Romy Bowers, president and chief executive officer; Nadine Leblanc, senior vice-president, policy; Carla Staresina, vice-president, risk management, strategy and products; Bob Dugan, chief economist; Simon Lahoud, director, financing solutions; and Yannick Monaghan, director, client solutions.

Before we begin, I just want to welcome.... We have Ms. Lapointe substituting for Mr. Long, and we have Ms. Kwan, who is accompanying Madame Zarrillo at today's committee meeting. Welcome to Ms. Kwan and to Madame Lapointe online.

We will start with Ms. Bowers for five minutes, please.

Ms. Romy Bowers (President and Chief Executive Officer, Canada Mortgage and Housing Corporation): Thank you very much, Mr. Chair.

I'm very happy to be meeting with you today on the traditional, unceded territory of the Algonquin Anishinabe peoples.

First of all, I would like to thank the committee for the invitation. We are always very happy to participate in this very important part of the democratic process and to speak about the work we're doing at CMHC.

I understand that timing issues made it impossible for us to testify here last week, and I would like to apologize for that. We never shy away from committee appearances. Just last week, I met with the public accounts committee, and next week I'll be back at this committee with the minister.

• (1535)

[Translation]

As Canada's national housing agency, Canada Mortgage and Housing Corporation is pleased to be delivering the national housing strategy.

This 10-year plan is Canada's first national, comprehensive strategy to address housing unaffordability. It includes a suite of programs designed primarily to create more housing supply. It focuses first and foremost on the most vulnerable Canadians. But it covers the continuum of housing, for example shelters, community housing, market rentals and home ownership.

At CMHC, we leverage our close partnerships with the housing sector and all orders of government to make sure federal investments are optimized for the greatest impact.

We're continually improving our programs based on feedback from our partners. For example, we recently streamlined the process of our national housing co-investment fund and reduced the turnaround time for applications by 50%.

[English]

We've applied lessons learned to new programs, like the rapid housing initiative. This highly successful program is expected to quickly create more than 14,500 units for people experiencing or at risk of homelessness.

CMHC has continuously met the national housing strategy's ambitious targets, and we've added new programs as conditions and needs have continued to evolve.

The result is that to date we have made more than \$30.28 billion in financial commitments to support the creation and repair of 387,000 units, 170,000 of which are currently under construction or completed, and the continuing availability of more than 38,000 community housing units for which operating agreements expired. These indicators are publicly available on our website.

We are committed to continually improving our reporting to ensure that public investments are delivering real impact to Canadians who need it most. At the same time, we continue to gather and share information on the housing environment and housing needs of all Canadians.

The numbers I've just cited demonstrate our impact, but so do the stories of the people who now have a home as a result of this work, including people like Emily from Vancouver, who was homeless and struggled with addictions. She found a home at Union Gospel Mission's Women & Families Centre, and she says the support she received there changed her life. The centre was built with funding from the national housing coinvestment fund.

Another example is Bill, a Canadian Forces veteran in Ottawa. Bill went from being homeless to living in Veterans' House, a supportive-housing facility at the former CFB Rockcliffe air base. That project was also financed by the coinvestment fund.

There are also the seniors and the people living with disabilities or with mental health issues in Gravenhurst, who will soon have a home at the brand new Alexander Retirement Care Facility, again, thanks to the coinvestment fund.

It is clear from stories like this that the national housing strategy is making a difference in the lives of Canadians, but this is not to say that there isn't much more that needs to be done to address Canada's housing challenges, and government can't do it alone. There simply aren't the resources in government to address the housing needs of all Canadians.

Yes, there's definitely a clear role for government at all levels to create more affordable or social housing to ensure that vulnerable people can meet their basic housing needs, but when it comes to solving Canada's more widespread housing affordability challenges, the impact of federal investments is much more limited.

For example, in Canada, about 95% of rental housing is provided by the private sector, so when we think about housing affordability, the private sector needs to be a part of the solution.

We are very happy to be here today to answer your questions, and we welcome all ideas as to how we can work better together to ensure that everyone in Canada has an affordable, suitable home.

Thank you very much.

• (1540)

The Chair: Thank you, Ms. Bowers.

We will now open the floor to questions and discussion, beginning with Mr. Aitchison for six minutes.

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

Ms. Bowers, thank you very much for being here, along with your army of support. We appreciate that.

I just want to set the base here a little. CMHC is the lead agency for the national housing strategy. Is that correct?

Ms. Romy Bowers: Yes.

Mr. Scott Aitchison: I read in the 2021 final evaluation report on the national housing coinvestment fund that this program supports the creation of new affordable housing stock and also the repair of existing housing stock.

Is that also correct? Is that the verdict?

Ms. Romy Bowers: That's correct.

Mr. Scott Aitchison: What's troubling, though, is that in the Auditor General's report that we just received, the Auditor General reported that rental housing units considered affordable and approved under this program "were often unaffordable for low-income households across Canada in 2020".

How do we reconcile the fact that the program is to construct and repair affordable rental units—of which there are a defined number—with the Auditor General's report, which says they were often not affordable?

Ms. Romy Bowers: First, I'd like to thank the Auditor General for the comments made in that audit report. CHMC has accepted all the recommendations, and we are judiciously working on the action plans.

With respect to the question, the national housing strategy, although it is focused on vulnerable populations, has a number of programs that serve the housing needs of all Canadians. The affordability that's achieved through the different programs depends on the intent of the program.

For example, we have a program called the rental construction financing initiative, which is intended to provide market housing supply or units at slightly below supply. The affordability definition for that will be very different from something like the rapid housing initiative, which is geared toward those experiencing homelessness.

Therefore—

Mr. Scott Aitchison: I'm going to stop you there. I don't want you to describe all six of the programs. I know the national housing strategy is broken up into a lot of different categories. I get that.

Very specifically, this was a report on the national housing co-investment fund, which is specifically for affordable rentals. The AG has reported that this program, specifically, often produced or delivered units that were not actually affordable.

I'm asking very specifically how we reconcile that. I'm sure there's a reason. I'm curious to know what it is.

Ms. Romy Bowers: I'm going to turn it over to my colleague, Simon, to answer specifically on the national housing coinvestment fund. However, I'd like to note that the national housing coinvestment fund often supports mixed-income units.

We have some units that are affordable and others that are closer to the market. The idea is that the more market-oriented rents support those that are more deeply affordable.

I'm going to turn to Yannick, because he has the details on the affordability achieved through that program. Maybe, Yannick, you can give the chair some indication of the level of affordability achieved to date.

Mr. Simon Lahoud (Director, Financing Solutions, Canada Mortgage and Housing Corporation): I'm sorry, Romy. I'll jump in there.

Ms. Romy Bowers: I'm sorry, Simon. I had the wrong person.

Mr. Simon Lahoud: Thank you.

As Romy mentioned, our program is definitely meant to achieve different levels of affordability. Our program criteria define affordability as units that are at or below 80% of median market rents, and our program criteria requires at least 30% of the units to be affordable—

Mr. Scott Aitchison: I'm going to stop you. I'm sorry. I don't need you to explain to me how the programs work and what affordability is. We get that.

I'm talking very specifically about this program that is supposed to deliver affordable rental units. The Auditor General has reported that, in many cases, they were not affordable. I want to know specifically what caused that, not that there are a dozen different programs. We know that.

What, specifically...?

You're burning up a lot of my time here.

Ms. Romy Bowers: The Auditor General was focused on chronic homelessness, and she applied the affordability lens of homelessness to all of our programs. When you look at something like the rapid housing initiative, it produces the greatest number of units that are deeply affordable. When you look at something like the coinvestment fund, some units are affordable for those most in need and others are not. That is by policy intent.

• (1545)

Mr. Scott Aitchison: The Auditor General specifically said the national housing coinvestment fund, which is for affordable units,

did not always deliver affordable units. There must be a reason for that. That's all I'm asking.

Ms. Romy Bowers: It produces a mix of affordable units, depending on the individuals or communities being targeted by a particular project.

Mr. Scott Aitchison: She said that some of them were not actually affordable.

Ms. Romy Bowers: That was by policy intent. It produces mixed-income communities, with some deeply affordable units and others that are less deeply affordable.

Mr. Scott Aitchison: Yes, I know. Okay. There's a mix.

The definition of “affordable rental” is that the household spends less than 30% of their income, before tax, on rent. Is that correct?

Ms. Romy Bowers: That is one definition of affordability.

Mr. Scott Aitchison: Do we have multiple definitions in this country of what “affordable” is?

Ms. Romy Bowers: As I mentioned, given the nature of the programs, we have different affordability definitions. It depends on the type of housing we're trying to create.

Mr. Scott Aitchison: Is that part of the reason we can't quantify whether these programs are always really, truly helping? I know we have some anecdotal support, but is that one of the reasons the Auditor General couldn't measure whether these programs were working or not?

We have different definitions, depending on who you're talking to, I guess.

Ms. Romy Bowers: We are doing work to make the definitions more aligned with and readily understandable to Canadians. I think there is definitely work that CMHC can do. I think having different affordability definitions has created confusion, and I definitely take that feedback.

However, in terms of keeping track of affordable units, we keep track of the units that are being created, the target populations and the level of rents that are being achieved. Many of the units are still under construction, so it takes time between funding and the actual move-in date. That creates a delay in our reporting, but we're working really hard to make that delay as short as possible.

The Chair: Thank you, Mr. Aitchison, I'm sure you will get back in the rounds; we have almost two hours.

Mr. Collins for six minutes, please.

Mr. Chad Collins (Hamilton East—Stoney Creek, Lib.): Thanks, Mr. Chairman, and through you, thanks to the representatives for attending this afternoon.

I have a very basic question. How does CMHC measure success as it relates to all the programs you have? What data or what information are you using to determine whether the programs are working or not from your perspective as an organization?

Ms. Romy Bowers: For each program, there are defined program unit limits, populations that are being served, and levels of affordability. We make a concerted effort to collect that information on an ongoing basis. There are some targets at the top level for the NHS as a whole, for example, number of units created, number of households that are taken out of household needs, and number of women who are being served by the housing unit. All that information is available on our website, www.placetocallhome.ca. We try to update it as frequently as we can to create as much transparency as we can about the investments being made and the impact they are having in the communities.

Mr. Chad Collins: As a long-time city councillor in Hamilton, I think everyone on my council, irrespective of their political stripe, celebrated the national housing strategy and the investments that came with it. I think if you were to poll those people, not just in Hamilton but, I think, across the country, most people—to the member's point prior to mine—expected more for those who are in core housing need. We expected more on the subsidy side of things, addressing housing needs for seniors, those who are disabled, veterans. You have the list of the vulnerable populations that the national housing strategy seeks to assist, and I think we expected more there and less on the market side. I agree with your opening comments when you said there's room for the private sector, and I'll have questions about that later today.

On the issue of subsidy and deeply affordable units, to your words with the previous members, how do we change the policy direction? When do we look at the national housing strategy and say, look, the pandemic's changed a lot of things; it's time to maybe push a reset button; we need deeply affordable units and less support for market rents? Can you help me with that in terms of how we can assist you in that regard?

Ms. Romy Bowers: Mr. Chair, I view the national housing strategy as an evergreen strategy. It started out as a \$40-billion investment in housing, and it's grown to a \$72-billion investment over the last five years based on the response to the changing housing needs of Canadians.

One of the most recent successes of the national housing strategy has been the rapid housing initiative. It started out as a \$2.5-billion initiative during the pandemic to address the housing needs of those most in need. It was \$2.5 billion, 100% grant and no loans. We recently launched round three of that initiative, which provides another \$1.5 billion in grant funding to create another 4,500 units of housing. That's an example of the flexibility of the housing strategy and how it changes as the circumstances change.

• (1550)

Mr. Chad Collins: I agree with you. Rapid housing—through you, Mr. Chair—is the most successful program we have under the strategy. We need to model some of the other programs after it in terms of providing more affordable units to the vulnerable population across the country.

On the issue of the financialization of housing, we're going to study that next, and maybe you will be a part of that study as well. We've seen a lot of information out in the public as it relates to the loss of affordable units. They've been scooped up by the private sector. Some of those units have been scooped up by private individuals who are tinkering as landlords in the market, and others are larger companies like REITs, which have scooped up hundreds, if not thousands of units, in all areas across the country. In some areas, those REITs almost have a monopoly. Depending on the size of the community, they almost have a monopoly on the rental market, and we've seen an escalation of rents as a result of those purchases.

Can I ask, does CMHC disclose the supports that it provides to REITs, whether it be through mortgages or applications through some of the programs you've already highlighted this afternoon?

Ms. Romy Bowers: Mr. Chair, one point I'd like to highlight is that through the national housing strategy we support all types of housing developers. We provide grants only to non-profit housing providers and the government. We provide loans in some cases to private developers. I don't have the exact numbers of the breakdown you're talking about, but we can certainly provide that.

With respect, on the subject of the financialization of housing and the role of private sector actors, especially in the rental sector, if we have time, I would like to give the floor to our chief economist, who might be able to provide a little more insight here, if you're agreeable.

Bob, do you mind talking about your observations about the financialization of housing and the dynamics of the housing sector?

Mr. Bob Dugan (Chief Economist, Canada Mortgage and Housing Corporation): Absolutely.

Thanks for the opportunity, Mr. Chair.

The “financialization” of housing is a word we hear a lot. The reality in Canada is that about 95% of the rental market is provided by the private sector, so financialization is something that exists by design in our rental market. In an environment of a growing population and more demand for more rental units, we need more financialization in order to get more supply to meet the needs of a growing population.

We've done some work in our rental market survey to try to measure the extent to which REITs and other types of investors are present in the market. Our best estimate is that REITs account for about 10% to 15% of landlords in the rental market. They're not a monopoly; they're a smallish player. They're a player amongst other private investors, which make up, as I said, the ownership of most of the rental units in the rental markets across the country.

To the extent that units are being scooped up, I don't think they're being scooped up from private sector investors buying them away from the government. It is maybe private sector owners selling to other private sector owners.

The market is overwhelmingly privately owned in Canada. There is a role for the government, of course, as well. That's just the way our system is designed and how we supply housing. We could always entertain ways of changing those proportions, but that's how it is right now.

Mr. Chad Collins: Mr. Chair, I have a list of questions I will submit to the clerk for the committee's information.

The Chair: Thank you.

That's a good way of using your time efficiently, by providing written questions through the clerk. It is valid.

[*Translation*]

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

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

I'd like to thank the witnesses for being here.

The study we are conducting is an important one. The committee will also have another to do, on social housing and affordable housing. We need to find some answers. The crisis is happening everywhere, and in every riding, the issue of the availability of affordable housing and social housing tops the list of demands.

When we adopted the motion to conduct this study, we had not yet received the Auditor General of Canada's report. What the report has shown us since then is rather worrisome: CMHC does not know whether all the housing units being supported by these initiatives are really being occupied by vulnerable people. The studies have even shown that fewer than 5% of new housing units built under the two main programs of the national housing strategy are accessible to people with the greatest needs. That's very troubling.

In the questions I'm asking, I'm not trying to blame anyone, but simply looking for answers.

How can we provide better support to vulnerable people and keep data up to date to ensure that the programs for which you are responsible really meet their needs?

• (1555)

[*English*]

Ms. Romy Bowers: As I mentioned previously, we are very grateful to the Auditor General for her comments. We've agreed to an action plan to address the deficiencies that have been identified in the report.

On the first subject, of CMHC's not being aware of the vulnerable populations that are being served in the unit, we collect information at the application stage and prioritize applications on the vulnerable groups that are being served. There is a delay, however, between the construction of the unit and the move-in time. Sometimes we cannot provide concrete information about who is living in a specific unit, because of the nature of the construction cycle. We are trying to improve our reporting to be more timely.

In addition to that, as was mentioned in the response to the Auditor General's report, we are working with Statistics Canada to do more detailed reporting about vulnerable groups without sacrificing the privacy issues of certain populations.

With respect to social housing—

[*Translation*]

Ms. Louise Chabot: I understand that it can take a while to obtain data or that it isn't always available. However, there are people underlying all that, and this should not deprive them of access to affordable housing, which is the objective that must be met.

How can we meet this objective on schedule? You are responsible for ensuring that it gets done, but it's not even possible at the moment to know whether affordable housing is really affordable, based on your definitions.

You're in agreement with the Auditor General's report, which says that we are missing the target, but how do you plan to follow through on her main recommendations?

[*English*]

Ms. Romy Bowers: Mr. Chair, the national housing strategy is very significant because it reflects a return of the federal government to investing in social housing after an absence of many decades.

In answer to the question from Madame Chabot, the best way to address housing for those most in need is investing in programs like the rapid housing initiative—housing programs that are rich in grants that target vulnerable populations. For example, the rapid housing initiative has resulted in the funding of over 10,000 new housing units. Many of them are perfectly suitable for those experiencing homelessness or who are at risk of homelessness.

Those are the kinds of programs that will best address those most in need.

[*Translation*]

Ms. Louise Chabot: Can you tell us how many social housing units have been built, and how many are currently occupied, in Canada?

[*English*]

Ms. Romy Bowers: Mr. Chair, I'd like to pass the floor to Nadine Leblanc, who will be best positioned to answer this question.

[*Translation*]

Ms. Nadine Leblanc (Senior Vice-President, Policy, Canada Mortgage and Housing Corporation): I'd like to mention that under the national housing strategy, we built 47,000 affordable housing units. We have therefore achieved 50% of our goal, and are at the midpoint of implementing the strategy.

I'd also like to point out in connection with social housing units, that we have long-term agreements with the provinces and territories. We support more than 300,000 units. That in itself means that we are providing assistance to the people for whom we are doing all that, as you mentioned.

With the help of certain budgets, including 2021-22, we increased—

• (1600)

Ms. Louise Chabot: You can't tell me that 300,000 social housing units were built and are currently occupied by people in Canada.

Ms. Nadine Leblanc: I should specify that we're talking here about the number of individuals, in connection with our long-term agreements.

[English]

The Chair: Thank you, Madame Chabot.

We'll go to Madam Kwan for six minutes, please.

Ms. Jenny Kwan (Vancouver East, NDP): Thank you very much, Mr. Chair, and thank you to the representatives from CMHC for being here today.

My first question ties into the national housing coinvestment fund initiative. The average rental price of units approved under the national housing coinvestment fund was higher than 30% of before-tax household income in several of the provinces and territories. The Auditor General, in fact, stated, "Having affordability criteria linked to market rent will continue to produce housing that is unaffordable to many of these groups."

My question is, why did the national housing coinvestment fund use a different affordability measure—based on 80% of the average market rent—from the criteria used by the national housing strategy overall, which uses 30% of a household's before-tax income? Who made that decision?

Ms. Romy Bowers: Mr. Chair, there are a number of different programs under the national housing strategy.

Ms. Jenny Kwan: Sorry, it's the national housing coinvestment fund, specifically.

Ms. Romy Bowers: I'm going to turn it over to Simon Lahoud, who's going to give a bit more information about the affordability.

Affordability is part of the program design that is intended to meet certain policy objectives. As I mentioned, the national coinvestment fund funds deeply affordable housing, but it also provides support for market housing, so that different levels of rent can offset each other to provide projects that are financially viable for the proponents.

Simon, I would get you to expand on that.

Mr. Simon Lahoud: Thank you, Romy.

There are just two points I'd like to make. First, 74% of the units we have committed funding to have met and exceeded our affordability criteria. In terms of depth, we are actually at 57% of median market rent.

Ms. Jenny Kwan: I'm sorry, but I'm going to interrupt for a second.

Perhaps we can get the data, because we're just walking around in circles, here. I would appreciate getting the actual data with respect to units that have been funded under the coinvestment fund and what affordability criteria they met. In other words, how many units receive 80% of average market rent in that category, broken down by the year in which the program rolled out, as well as by province and territory? I would also like to get information on how many units, similarly, use 30% of the household's total income, so we can get a breakdown of what actually went down. Talking around in circles does not help.

Finally, I would like to know this: Who made the decision on that affordability criterion for the coinvestment fund, and at what juncture? The target of the coinvestment fund was supposed to be rents that did not exceed 30% of total income. That was supposed to be the affordability criterion, but somehow it has shifted. Is it a wonder the Auditor General found the program did not meet the affordability needs of the people who need it the most?

If I could get that information, I would very much appreciate it. Can I get confirmation that I will get that data?

Ms. Romy Bowers: Mr. Chair, we'll provide the data, as requested.

Thank you.

Ms. Jenny Kwan: Thank you.

On a different question, with respect to even the rapid housing initiative and the national housing coinvestment fund—both of these programs—the Auditor General indicated this:

[A]lthough the corporation knew that housing types likely to benefit vulnerable groups, such as transitional and supportive housing, were being funded, the corporation did not know whether priority vulnerable groups who were intended to benefit from approved projects were actually housed once projects were completed.

Could CMHC table this information? What data does CMHC have regarding who was housed under the national housing strategy programs specifically related to the six programs audited by the Auditor General, through which the government has spent \$4.5 billion?

The Auditor General report also revealed that CMHC didn't know whether projects intended for priority vulnerable groups, such as people with disabilities, were actually housing these priority groups.

My question is, can we also get a breakdown of those units? How many of those units were targeted housing for people living with disabilities?

• (1605)

Ms. Romy Bowers: We'd be very pleased to provide that information.

I would like to note, however, that the construction cycles are long. It takes some time from funding to first occupancy. We are dependent on proponents for the information. As soon as that information is available, we provide it publicly. I wanted to note there is a delay in the receipt of the information, in some circumstances.

Ms. Jenny Kwan: That's fair enough.

With respect to the data, can we get information that indicates which units have been completed and occupied? What does the data look like, and what is the occupation date? This is so we'd know when the project was completed and occupied. What projects have not yet been completed and are therefore not occupied? Is that data yet to come? What is the projected timeline for when the project would be completed? Then we could anticipate when that information would be available and provided to the committee.

The Chair: Thank you, Ms. Kwan.

I'll let Ms. Bowers respond to your questions to confirm that, but your time is up.

Ms. Romy Bowers: Mr. Chair, we'll provide the information requested to the extent it's available to us, and we'll provide it on a continual basis, so the committee has the full data we have at our disposal.

The Chair: Thank you, Ms. Kwan.

Ms. Jenny Kwan: I'm sorry, Mr. Chair. I have a point of clarification.

Ms. Bowers said, "to the extent" the information is "available to us". If the information is not available, I think the committee would appreciate receiving the reason it's not available.

Ms. Romy Bowers: Your point is taken.

The Chair: Thank you, Ms. Kwan and Ms. Bowers.

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

Mrs. Tracy Gray (Kelowna—Lake Country, CPC): Thank you, Mr. Chair, and thank you to all the witnesses for being here.

To tag onto that, I want to get clarification on whether any reports or information any member is asking for here, today, would be available—would come to the committee before the next committee meeting with CMHC in the new year.

Can you state that for the record?

Ms. Romy Bowers: Yes.

Mrs. Tracy Gray: That's great. Thank you very much.

My first question is, have you had a CMHC board meeting since the Auditor General released her report on chronic homelessness on November 15?

Ms. Romy Bowers: We had a board meeting at the end of November.

Mrs. Tracy Gray: Was that a regularly scheduled board meeting, or was that an emergency meeting that was called because of the Auditor General's report?

Ms. Romy Bowers: It was a regularly scheduled board meeting.

Mrs. Tracy Gray: Were there questions asked of you by the board members on the Auditor General's report? Was it a topic of discussion at that board meeting?

Ms. Romy Bowers: It was a topic of discussion, and I confirmed to the board that I agreed with the recommendations made by the Auditor General and that I was committed to the action plans that were articulated in that report.

Mrs. Tracy Gray: In its response to the Auditor General, the CMHC said that "[CHMC] is the lead and accountable for the national housing strategy". Then it went on to say that by December 2023, which is a year from now, there would be clarification of "accountability for the achievement of the national housing strategy".

Was the board happy with this response?

Ms. Romy Bowers: CMHC is responsible for funding the capital expenditure required for housing for homelessness issues. Infrastructure, the department we work very closely with, is responsible for the Reaching Home program.

To achieve the chronic homelessness targets requires CMHC and Infrastructure Canada to work very closely together, but, because of the nature of homelessness, it also requires very close collaboration between all levels of government and non-profit groups, and we are committed to doing that to ensure that collectively we can eliminate homelessness in Canada.

Mrs. Tracy Gray: In this strategy, the overarching strategy started in 2017 and, after the Auditor General's report, in the response, you said that a year from now, as I just said, you would determine who has accountability for the achievement of the national housing strategy.

Are you saying that the CMHC is not accountable and that you're going to take a year to determine who is accountable? If so, who would be on that list of who might be accountable, if it's not the CMHC?

Ms. Romy Bowers: CMHC is accountable for the national housing strategy and its targets. For this particular target, we have to work in very close collaboration with the homelessness department within Infrastructure Canada. There are also other levels of government and non-profit organizations.

Mrs. Tracy Gray: Again, what you're saying is that it's going to take a year to determine who is accountable, even though you are the ones who are fulfilling the strategy. You wouldn't consider yourselves as being ones that would be accountable for the strategy.

• (1610)

Ms. Romy Bowers: I am accountable for the national housing strategy's delivery, and, as I noted in the response to the Auditor General, I take accountability for using the tools we have to make sure we deliver in solving chronic homelessness in Canada.

Mrs. Tracy Gray: Right. I guess I go back to your written words that were in response to the Auditor General. Again, I will read it: "accountability for the achievement of the national housing strategy". You said that it would be determined by December 2023, so again, what would be the purpose of saying you'll determine a year from now who is accountable if you're saying the buck stops with you? Or are you saying something different?

Ms. Romy Bowers: It's very clear that CMHC is accountable for the delivery of the national housing strategy. As I noted, solving for the elimination of chronic homelessness is a very complex endeavour. It requires making sure we work very collaboratively, not only with Infrastructure Canada but with other groups that are working to support those who are at risk of homelessness. It's because of this complexity that we need to make sure we have alignment and that we're working together to address the very particular housing needs of this population.

Mrs. Tracy Gray: I have a very quick question.

You testified earlier on in answering someone's question that the CMHC has a lot of data and collects a lot of data, yet you don't know how you are achieving the commitment.

Are you disputing the analysis of the Auditor General? Earlier you testified that you collect a lot of data.

Ms. Romy Bowers: Mr. Chair, we collect a lot of data when we're accepting applications. We ask proponents to identify the vulnerable groups who will be served by the housing unit.

It sometimes takes a considerable amount of time for those housing units to be constructed and occupied. It is for this reason that we cannot always confirm who the ultimate recipient of the unit is—who is ultimately benefiting from the unit—but we can certainly identify the vulnerable group that was identified in the actual application process.

The Chair: Thank you, Ms. Gray.

[*Translation*]

Ms. Martinez Ferrada, you have the floor for five minutes.

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

Thank you to the witnesses for being with us today.

My question is about CMHC's capacity to respond to what the government wants, which is to fund the national housing strategy to ensure that there is affordable housing. But what we're hearing on the ground is that there's work to be done to get there.

One of the reasons is that the community organizations, which are in the best position to provide affordable housing units because they are not in the private rental market, have trouble dealing with CMHC. In fact, the non-profit organizations don't feel they are getting proper support to deal with the administrative burden and endless demands of CMHC, not to mention how long it takes to get a response to the projects they submit.

How are you going to correct this in order to better support non-profit organizations?

[*English*]

Ms. Romy Bowers: Mr. Chair, for many decades CMHC was not involved in the delivery of affordable housing, and we have lost connections with many institutions in the non-profit sector. We've been rebuilding that capacity over the last five years. We've made significant improvements in our processes to support the non-profit sector more effectively.

Is there more to do? Absolutely there is, and we're committed to doing better in the years to come.

I'd like to turn the mike over to Nadine Leblanc for a few words, just to supplement my response.

• (1615)

[*Translation*]

Ms. Nadine Leblanc: I'd like to point out that we have local teams working closely with the non-profits and with some organizations involved in our programs. Our service standards vary, depending on the program. It's true that for the rapid housing initiative, service is much faster and much more accessible to people in these communities, because these programs are 100% funded. For our co-investment program, it's a little more complex because it is made up partly of contributions and partly loans. When there are loans, we work closely with the provinces and other funding organizations to make sure that the projects are viable. So those take a little longer.

If you would like, we can also talk about the service standards for our clients. My colleagues, who are here by video conference, could answer these questions.

Ms. Soraya Martinez Ferrada: In connection with the community organizations, I heard that CMHC had established client services for the non-profit sector in the spring. I believe it was in June. However, the national housing strategy was launched five years ago, and yet it took until very recently for CMHC to introduce measures for non-profit organizations.

In response to what Ms. Bowers said a little earlier, I'd like to talk briefly about CMHC's history. Initially, the government asked CMHC to address affordable housing needs after the Second World War, and that's what it did.

What is CMHC going to do now to ensure not only that there is affordable housing, but very affordable housing? That's not what is currently happening on the ground with the community organizations. I'd like to know what you're going to do now to make housing more affordable, and in particular the housing being made available to non-profit organizations.

Ms. Nadine Leblanc: I'd like to point out that CMHC has always had local services. Our regional offices provide these services. Needless to say, they have grown over the years as the number of programs we run have increased. It's important for us to deal with the community.

With respect to the 2020-22 budget and what we are doing now to increase the number of affordable housing units, I'd like to point out that we expanded the rapid housing initiative. We recently announced that there would be \$1.5 billion to help people in the greatest need. We will continue to review the strategy and our programs on an ongoing basis, as Ms. Bowers mentioned, to ensure that it reflects economic conditions and the needs of vulnerable people.

Ms. Soraya Martinez Ferrada: Working with the provinces and territories can be a challenge when it comes to providing affordable housing. How do you work with them to make sure that there is better coordination between federal programs and theirs?

Perhaps you can tell us about service standards so that we can understand your work in connection with these programs. I've heard that processing times are very slow. In an inflationary context where the market is highly competitive, and it can take six months to get a response, building costs will have had time to increase and make housing even less affordable.

In short, how do you work with the provinces, and how are you responding to the current market?

If we run out of time, you can send your answers in writing.

[English]

Ms. Romy Bowers: Mr. Chair, I would like to note that creating affordable housing is really tough. I see the work non-profits do. What they have to do is use the federal, provincial and municipal monies, and their own equity, to layer on many layers of funding to create affordable housing. That's what it takes.

I want to pay tribute to the amazing work non-profit organizations are doing. CMHC can do its part by aligning its programs with those of other governments. We've learned a lot in the last five years, and we've seen in programs like the rapid housing initiative how we can apply some of the learning to get money out the door faster.

• (1620)

The Chair: Thank you, Madam Martinez Ferrada.

[Translation]

Ms. Chabot, you have the floor for two and a half minutes.

Ms. Louise Chabot: We are at the halfway point in the period established to achieve its major objectives, which I will not repeat here given the short amount of time available.

You've told us that you understand the Auditor General's concerns, that you agree with her recommendations, and that they are included in your action plan. But many people, think, as we do, that the national housing strategy needs to be reviewed because the data currently available cannot illustrate how the strategy meets the needs of the most vulnerable people. We don't know whether the strategy is meeting its objectives, including in terms of processing time.

The Auditor General also said that it's impossible to know, between Infrastructure Canada and CMHC, who is responsible for what. That's a concern.

What concrete measures are you taking to change things?

[English]

Ms. Romy Bowers: Mr. Chair, as I mentioned, the national housing strategy continues to evolve. It's gone from a \$40-billion investment to a \$70-billion investment. We've added new programs to address the housing needs of Canadians. There is a built-in process whereby the national housing strategy is reviewed on a periodic basis. CMHC has a group that does evaluations and makes recommendations to our minister on improvements that can be made. That was built into the national housing strategy, so comments and feedback from committees like this are very valuable in terms of continuing to make sure our programs are relevant and serve the needs of Canadians, especially those most in need.

[Translation]

Ms. Louise Chabot: According to you, which is the lead organization for this strategy?

[English]

Ms. Romy Bowers: CMHC is responsible for delivery of the national housing strategy.

[Translation]

Ms. Louise Chabot: Do you feel that you have met expectations?

[English]

Ms. Romy Bowers: I can give you a sense of some of the targets we are working towards and how we reward the work of our employees.

There are six indicators of success that were established when the national housing strategy was established. The first is the number of households whose housing needs are reduced or eliminated. The NHS target was 540,000 households. Halfway through the program the actual number of households we have helped is 246,000.

The NHS target is to create 160,000 new units of housing. Halfway through the program we have delivered financial commitments to 114,000 units. That's 62% of the target met.

We have made commitments to repair and renew existing social housing. That target for the NHS was 300,000. To date, we have extended funding to 272,000 units. That is 91% achievement halfway through the housing strategy.

We have committed to protect 385,000 units of community housing. Halfway through the strategy we have provided support to 220,000 community housing units. That's a 57% achievement.

We made another commitment to provide housing affordability support to 300,000 households through the Canada housing benefit. To date, we have provided 100,000 households with that benefit.

We have committed at least 25% of the NHS funding to go to meeting the housing needs of women and children. The target was 25%. To date, we have achieved 30%.

According to those measures, we feel we're meeting the original intent of the programs.

[*Translation*]

The Chair: Thank you, Ms. Chabot and Ms. Bowers.

[*English*]

I will now go to Ms. Kwan for two and half minutes.

Ms. Jenny Kwan: Some of that data is not particularly meaningful if you don't get into the details of the affordability and how it's actually met the need. I think that's the point the Auditor General was raising in this report.

The corporation took the position that it was not directly accountable for the achievement of the strategy's target to reduce chronic homelessness by 50% by the year 2027-2028. Is that still the corporation's position? You can just give us a yes or no.

• (1625)

Ms. Romy Bowers: There is shared accountability between CMHC and Infrastructure Canada for that target.

Ms. Jenny Kwan: Is CMHC accountable? It said it's not, so you are now saying you will take joint responsibility with Infrastructure Canada. Is that what you're saying?

Ms. Romy Bowers: That's correct. CMHC has funding for the capital cost of housing that is built to address chronic homelessness. Infrastructure is responsible for the Reaching Home program—

Ms. Jenny Kwan: Thank you. I understand how the programs work.

Is it CMHC's opinion that the government will in fact meet this target?

Ms. Romy Bowers: Homelessness is a very challenging area of effort. It requires not only the housing support but also wraparound services and other supports provided by other levels of government—

Ms. Jenny Kwan: I'm sorry, but I have very limited time.

Is it your opinion that CMHC will meet this target, as the government has laid out?

Ms. Romy Bowers: The target was set prior to the pandemic. The pandemic has worsened the homelessness situation in Canada—

Ms. Jenny Kwan: Is your answer no, then? I don't have enough time, so could you just give me a short yes or no?

Ms. Romy Bowers: It is a very challenging target to meet.

Ms. Jenny Kwan: The Auditor General is saying it's not going to achieve the federal national housing strategy target of reducing chronic homelessness by 50% by the 2027-28 fiscal year.

I'm hearing you echo that, unless it's different. If you want to provide something more fulsome in writing to the committee, please do so through the chair.

On the coinvestment fund, right now my understanding is that CMHC has reduced the amount of funding to community groups such that they can receive only \$25,000 per unit. Is that correct?

Ms. Romy Bowers: That is correct.

Ms. Jenny Kwan: What will happen for community groups that require more than \$25,000 to achieve their project? If they don't get it, there are only two ways to go: The affordability criteria will not be met, or the project will not be viable.

Ms. Romy Bowers: We look at projects on an individual basis. We have targets like the \$25,000 target per unit that you mentioned, but we always look at projects on an individual basis and do what we can to make sure the projects are viable and succeed.

Ms. Jenny Kwan: Thank you.

Mr. Chair, I wonder whether I can submit written questions of other members.

The Chair: You can, yes.

Mrs. Falk, you have five minutes, please.

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

As was stated earlier, CMHC has agreed with the Auditor General's finding and recommendations. In response to some of my colleagues' questions around the table here, you said that CMHC is working judiciously to implement the Auditor General's recommendations. If so, what has been done?

Ms. Romy Bowers: In terms of the data issue, and this has actually happened—

Mrs. Rosemarie Falk: The recommendation.

Ms. Romy Bowers: The recommendation. In terms of improving the quality of data, we are doing work with Statistics Canada to improve information about the individuals who are occupying the units we are funding. That's one initiative. That work has already started.

We're also continually improving our reporting and increasing the transparency of the information we provide to the public. That's the second item with regard to the data.

In terms of accountability and working in greater collaboration with Infrastructure Canada, we have established an ADM-level working group to make sure we can better coordinate the programs we have at CMHC, the housing financing programs, with the homelessness program that's implemented through Infrastructure Canada.

Mrs. Rosemarie Falk: There's a working group. When will that be put into action?

Ms. Romy Bowers: One working group is already in place. We feel there's—

Mrs. Rosemarie Falk: I'm sorry. I mean, when will the working group's work be completed and then put into action? We could sit and have groups and meetings to have meetings and do nothing, so I'm just wondering what the timeline is.

Ms. Romy Bowers: It's not the kind of working group where there's a.... It works on actions on a continual basis, because we're rolling out initiatives on a continual basis. The aim of the meeting is to have senior-level officials working together.

For example, as we roll out the rapid housing initiative, round 3, we're working with Infrastructure Canada to understand the needs in their communities, making sure—

• (1630)

Mrs. Rosemarie Falk: Was this an existing group, or was this started because of the AG's report?

Ms. Romy Bowers: There was always collaboration between the two departments. This is a formal committee that was set up to address the specific recommendations made by the Auditor General.

Mrs. Rosemarie Falk: Okay. I want to quote something from your opening remarks here. You said, "CMHC has [consistently] met the national housing strategy's ambitious targets, and we've added new programs as conditions and needs have continued to evolve."

However, from reading the report, it looks like the success hasn't really been measured, so I'm wondering how that fits in here.

Ms. Romy Bowers: With respect to the reduction in chronic homelessness, that is much more difficult to measure because of the complexity of the issue. As I mentioned, it's not a matter of counting units, the level of rent, or the number of people living in those units, so it requires more work and collaboration with various actors within the housing system to ensure success.

Mrs. Rosemarie Falk: In response to that, I would say that when there's a will, there's a way. Is that right?

Ms. Romy Bowers: Absolutely.

Mrs. Rosemarie Falk: I would argue that almost every task is difficult, but when there's a will to fix something, there is a way to get it done.

I heard you mention a couple of times today a delay to move-in time because of construction time. Was that in regard to data collection or just in general?

Ms. Romy Bowers: Yes. The housing-construction life cycle is quite long from the design of the housing unit to the actual construction process to when the units can actually be occupied.

Mrs. Rosemarie Falk: What's the average?

Ms. Romy Bowers: It depends on the city. For example, in the city of Toronto, it can take up to six years from the conception of a project to the actual move-in date.

Mrs. Rosemarie Falk: Why is that?

Ms. Romy Bowers: There is a large number of reasons. The creation of housing, especially the creation of multi-unit housing, is complex. It requires multiple levels of approvals at the municipal level. We also have a very serious shortage of skilled labour in Canada, so it's very challenging to—

Mrs. Rosemarie Falk: Red tape and bureaucracy, then, are some of the reasons we can't build quickly.

Ms. Romy Bowers: They can be an element, but there can also be opposition from neighbourhood groups, because it is very difficult to build housing, especially in Toronto and other large cities.

Mrs. Rosemarie Falk: Okay. Thank you.

I also want to quickly ask about Infrastructure Canada and CMHC. It seems to be that they are not aligning, from reading this report.

What commitments are being made other than this working group, which, from the sounds of it, was actually struck before this AG report? What are CMHC and Infrastructure Canada doing to work more collaboratively?

Ms. Romy Bowers: CMHC came under the Infrastructure portfolio only fairly recently—about a year ago. I work very closely with the officials at Infrastructure Canada. We have collaboration at all levels of our organization.

We take seriously the reports and the comments made by the Auditor General. In the way we work on a day-to-day basis, we make sure there's alignment between our work and the work of the infrastructure department.

Mrs. Rosemarie Falk: How so?

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

Ms. Rosemary Falk: Could she respond, Chair?

The Chair: Okay.

Some hon. members: Oh, oh!

Mrs. Rosemarie Falk: Thank you, Chair. Thank you—

Ms. Romy Bowers: On a personal level, as the head of CMHC, I work very closely with the deputy minister of infrastructure, Kelly Gillis, so that's one example.

Nadine, who is the head of policy, works very closely with their head of policy.

That level of collaboration exists throughout the organization.

The Chair: Thank you, Ms. Falk.

Mr. Long, you have five minutes.

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

Good afternoon to my colleagues and thank you to CMHC and Ms. Bowers for coming before us today.

I want to start with co-op housing. In my riding of Saint John—Rothesay, Housing Alternatives has a wonderful project moving forward in the co-op housing sector. We know that co-op housing is critical when it comes to expanding the supply of affordable housing. Through budget 2022, our government is making the largest investment in 30 years in the expansion of co-op housing. To your point earlier, it's been a long time.

Can you speak to the work CMHC is already doing with the co-op sector, as well as the work being done to partner with that sector and the rollout of these new investments?

Thank you.

Ms. Romy Bowers: I'm a member of the national housing council, and the head of the Co-operative Housing Federation of Canada is also a member, so I have very close collaboration and conversations with that individual.

In addition to that, you mentioned that in the most recent budget there was a \$1.5-billion commitment to create new co-op housing in Canada. This is quite transformational, because there haven't been federal investments in co-op housing for many decades.

CMHC is working collaboratively with the co-op housing federation to co-develop that strategy. It's not ready for prime time yet, but there has been a lot of work done in terms of program design and making a program that's really going to create the new generation of co-op housing in Canada.

• (1635)

Mr. Wayne Long: Thank you.

Ms. Bowers, I want to give you an analogy. In my past life, I was president of a hockey team. I talk about it often: the Saint John Sea Dogs. As president of that team, if I had consistently had season ticket holders coming to me or season ticket holders out in my community saying that dealing with the Saint John Sea Dogs was difficult and dealing with the Saint John Sea Dogs was cumbersome, I would have recognized that there was a problem internally, maybe culturally or in process or bureaucracy, or what have you.

We have some great proponents in my riding, two of them, and to be perfectly blunt, I've seen them age before my eyes over the last few years of trying to get through the coinvestment process and the frustration and the delays. Another one, for a shelter that was funded through rapid housing—I'm very appreciative of that—used to call me at times, so frustrated that, to be blunt again, she was crying. She just couldn't get through the process.

I ask you sincerely, as the head of CMHC, whether you recognize.... I'll qualify it. I know, as you said earlier, that it's very difficult—it's complex—to move forward with affordable housing, and that there are a lot of challenges, whether it's to get builders to build it, the cost per door or what have you. As the head of CMHC, though, do you recognize that there are problems with the process?

I've always said I'd like to see CMHC become less bureaucratic and more entrepreneurial, and I know that's not easy, but sometimes it seems like a lot of the non-profits just get so frustrated because they have one barrier after another. I know there's a process in place, but can you comment on that, as the head of CMHC, on what

you see, what you recognize and what you can do to potentially turn that around?

Thank you.

Ms. Romy Bowers: Mr. Chair, I take comments like this very seriously. I'm responsible for the culture and processes at CMHC, so I welcome feedback like this. When I meet MPs at gatherings like this, I always encourage them, if there are pain points they're experiencing with projects of mine, to please let me know, because it's really important for me to look into it so I can learn from the process.

We have, as I mentioned previously, definitely learned lessons from the rollout of the coinvestment funds. The processes were too cumbersome and too bureaucratic. We have tried to simplify them. I think Yannick talked earlier about having a contribution-only stream for the coinvestment fund, which enables us to get back to proponents within four to six weeks. We've decoupled the loan process from the contribution process to make things easier.

We also have instituted a process whereby, after every client interaction, we have a very simple survey that we send out to clients to measure the level of client satisfaction. When the level of satisfaction is not satisfactory, we take actions to remediate that.

Mr. Wayne Long: I'll just jump in. Are you able to share what the level of satisfaction has been?

Ms. Romy Bowers: We're very happy to provide that.

Mr. Wayne Long: Okay.

Am I done?

The Chair: Yes, your time is concluded, Mr. Long.

Did you get the last point from Mr. Long, and are you going to supply that to the committee?

Ms. Romy Bowers: Yes, I think the question was to provide the levels of client satisfaction. We can certainly provide that.

The Chair: Thank you.

We have Ms. Ferreri for five minutes, please.

Ms. Michelle Ferreri (Peterborough—Kawartha, CPC): Thank you, Mr. Chair, and thank you to our witnesses for being here today. I really appreciate your time.

How many mortgages do you believe will default in the next 24 months?

• (1640)

Ms. Romy Bowers: Mr. Chair, I don't have the ability to forecast things like that, but I can assure you that at CMHC we take risk management very seriously. We run a commercial mortgage loan insurance business. We conduct stress testing to ensure that we have enough capital to ensure that we're protected against loss.

Currently, the levels of arrears are very low, less than 0.5% of our entire book, which is incredibly low. I know we're going through some very difficult economic times, but to date, because of the strong employment picture, we are not seeing losses coming through our mortgage book.

This is not to say we're complacent. We are monitoring the environment continually to ensure that we have enough capital to withstand any losses.

Ms. Michelle Ferreri: Thank you, Mr. Chair.

Under your joint mission statement it says, and this is under CMHC, "by 2030 everyone in Canada has a home they can afford and [that] meets their needs." Are you familiar with that statement?

Ms. Romy Bowers: Mr. Chair, I am familiar with that statement.

Ms. Michelle Ferreri: If you're not meeting the needs now, what is your plan to achieve that by 2030?

Ms. Romy Bowers: Our 2030 goal is like our North Star. It's what guides the work of all our employees. It is aligned to the sustainable development goals of the United Nations, and we aspire to achieve that through effective delivery of the national housing strategy and through the effective delivery of our commercial programs.

We also feel that CMHC has a very important role in providing housing market insights through the reports drafted by people like Mr. Bob Dugan, who's on the call today. In addition to that, we have contacts with many players in the housing market, be they non-profit organizations or private developers. We feel CMHC has a very important role as a convenor in making sure all players in the housing sector work together to provide affordable housing for all Canadians.

Ms. Michelle Ferreri: Thank you.

If you don't meet that goal, what happens? Is there any recourse? Is it just "pie in the sky" and there's no actual enforcement of it?

Ms. Romy Bowers: I view that as an aspirational statement. It's like our moonshot. It's like our North Star that guides our activity. It's likely that we're not going to achieve it, but we feel that there's a lot of value in trying for it. If you don't aim high and try for it, you're not going to get there.

Our goal is to say that this 2030 goal is CMHC's aspiration, but we feel that it should be the aspiration for all Canadians. We've been really encouraged by seeing other housing organizations actually adopting that goal, because I feel that housing is a team sport in which all sectors of Canadian society are working together. We feel that's the best way to achieve housing affordability for all.

Ms. Michelle Ferreri: Thank you.

Mr. Chair, I would push back a little and say that a plan and measurable targets would be a lot better than an aspirational goal. When you are spending \$4.5 billion of taxpayers' money and you can't

gauge homelessness.... I know that in my community of Peterborough—Kawartha, there are more tent cities, and there are people who are struggling. I'm very confused as to why it's so complex that you can't gauge that. I think that's very frustrating to Canadians and anyone who is watching so many people suffer.

I want to give you a very specific example. In my riding of Peterborough—Kawartha, there are people really working to solve the housing crisis. Peterborough Housing Corporation currently has an application for an 85-unit build, with a mix of senior, affordable, supportive and at-market units. As of today, there are 344 people on the by-name priority list. Twenty-seven are 65 years of age or older, and 60 are 55 years of age or older. Ten per cent of the people who are 55 years of age or older are currently living outdoors. As of September 16, 2022 people are on the wait-list for assisted living in Peterborough through our VON.

I wrote a letter to the Minister of Housing, asking for support through CMHC, and it has come back to me that the minister has put it back on CMHC to see what you guys will do. It says that the "National Housing Strategy...is helping those most in need find a place to call home. This includes seniors, persons with disabilities, those dealing with mental health and addiction[s] as well...."

You have sent back a note here to this organization that has gotten approval, much to what you were saying: The neighbours are supportive; the community is supportive. They're solving that gap; they're closing that gap. They're helping. It is said that the situation has come up that CMHC is placing this funding in jeopardy. They're very frustrated, because you have not communicated with them in a timely manner.

I know you're at the top, and maybe you don't know that this is going on—my colleague, Mr. Long, brought this up—and you said you care, but these are the real stories of things that are not being completed because of the bureaucracy. I don't want an aspirational statement, with all due respect. I'd like to know how you prevent this from happening and what your response is to these people who are waiting on these homes.

• (1645)

The Chair: Thank you.

Could we get quickly to the point with your answer, Ms. Bowers?

Ms. Romy Bowers: Mr. Chair, I appreciate feedback like this. We have housing representatives spread across Canada. I will take this particular project away, and I'll try to get back to you as soon as I can.

The Chair: Thank you, Ms. Ferreri.

Mr. Coteau, you have five minutes, please.

Mr. Michael Coteau (Don Valley East, Lib.): Thank you, Mr. Chair, and thank you so much to the witnesses for being here today.

I'm fairly new to government, at least to the House of Commons. It's been a year. I know this program, this initiative—the \$72 billion that's been invested—has been an incredible initiative to help Canadians. I've always associated home ownership with reaching the Canadian dream of participating fully in society. I also know that you've only had about five years to rebuild a program that was lost for decades. Governments in the past did not invest properly into this area, and the \$72-billion investment is going to have a huge impact on helping Canadians.

My question to you is this: What were some of the biggest challenges? You mentioned that you had to reconnect with organizations on the ground. What were some of the big challenges that your organization had to go through over the last five years to reconnect, rebuild and re-establish the Canadian government as a major player in home affordability challenges?

Ms. Romy Bowers: Mr. Chair, in answer to that question, CMHC has gone through tremendous changes over the last five years. Prior to the national housing strategy, CMHC was focused on its commercial mandate. We were delivering mortgage insurance products and working primarily with the financial institutions sector.

The national housing strategy represented a return after three decades to working with clients of a totally different type. We've had to re-establish ties with the non-profit community. We've had to work more closely with provincial, territorial and municipal governments. That has required a retooling of our processes and our technology and, possibly most importantly, a change in culture at CMHC.

This focus on client service and understanding the specific needs of the non-profit sector are things we have improved, but it's a continuous learning process.

Mr. Michael Coteau: It's a different culture [*Inaudible—Editor*].

Ms. Romy Bowers: Yes.

Mr. Michael Coteau: The rapid housing program is now in its third phase, I think. What have you learned from a program specifically like that one, which was highly successful in terms of going from first to third phase? How have you made improvements?

Ms. Romy Bowers: I can give a large number of examples. We have simplified the application process. We've made the portal more accessible. We've identified specialized client groups that can support the proponents who are applying. We have learned to get the funding out the door more quickly. I have to say it's actually easier to get funding out the door, because the due diligence is much less complicated for a grants program than for a loan program. We've taken a lot of lessons to simplify our processes.

In terms of legal agreements, our legal group has worked tirelessly to simplify them. Again, I want to always point out that there's always a tension between client experience and speeding up the process and making sure we have the right checks and balances to make sure government funds are being used for their intended purpose. There's always that little bit of a tension. We're trying to

make sure we have good governance but at the same time good client experience.

I can give many more examples, but it's that cultural change element. As you know, and from my experience, it takes time to change the culture of an organization. I've been at CMHC as CEO for over a year and a half. I can assure you that CMHC employees are very committed—not that we're perfect, but we're trying our best to learn from our mistakes and do our best to serve Canadians.

• (1650)

Mr. Michael Coteau: With regard to data collection, a lot of organizations now have started to lean in towards disaggregated race-based data. I know there are huge discrepancies in housing when it comes to home ownership among different communities. I think Statistics Canada has about \$150 million earmarked specifically for the collection of disaggregated race-based data. Are there any plans in the future to tap into that type of collection?

Ms. Romy Bowers: CMHC works very closely with Statistics Canada, specifically on those race-based housing statistics. You're absolutely right that there are very different housing outcomes depending on race. For example, on home ownership there's a 30% differential between the home ownership rates of Black Canadians versus white Canadians.

CMHC's policy and research group has done a number of reports to highlight these discrepancies, and it's our intent.... You know, there are a lot of gaps in housing data. At CMHC we're working as quickly as we can to close those gaps.

Mr. Michael Coteau: I've seen some of the research done years ago, where you had some communities closer to 20% and some as high as 85% home ownership. The gap is extreme in some cases. I'm happy that the organization has tapped into that type of research. I look forward to seeing some updates on that in the future.

The Chair: Thank you, Mr. Coteau.

[*Translation*]

Ms. Chabot, you have the floor for two and a half minutes.

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

With respect, Ms. Bowers, I accept part of your answer, in connection with the process, the change in culture and the fact that it was essential to adapt. However, it's not just an obligation of means, but also one of outcomes. I'm getting the impression that I'm listening to jargon that doesn't really respond to the needs of people waiting for a housing unit.

I would like to respectfully remind you that one of the objectives of the national housing strategy is to reduce chronic homelessness by 50% between now and 2027-28, meaning within five years, but the Auditor General has said that we currently can't even get the data.

I'll give you another very concrete example. The Auditor General said recently that organizations, including CMHC, did not know whether the efforts made thus far had really improved housing conditions for vulnerable people.

Can you comment on that?

[*English*]

Ms. Romy Bowers: Mr. Chair, with respect to the Auditor General's report on homelessness, CMHC has accepted the recommendations and findings of that report. We are working very hard to address them. We understand and appreciate the very great need that is being experienced by Canadians who are at risk of homelessness or who are homeless. We're going to do the best we can, with all the resources we have, to address this problem in the coming years.

[*Translation*]

Ms. Louise Chabot: I have a very concrete question for you. If you don't have the time to answer it, you could send us a written response.

Who are the people living in the units that were built in collaboration with CMHC under the national housing strategy?

[*English*]

Ms. Romy Bowers: We collect this information, and we will provide this information as the housing units are built and as the units are occupied by the residents.

[*Translation*]

Ms. Louise Chabot: As I understand it then, we don't really know who is living in these units, we don't know what the conditions are and we don't know the dates. That's rather worrisome.

[*English*]

The Chair: Thank you, Madame Chabot.

Do you want to respond, Ms. Bowers?

Ms. Romy Bowers: I believe Ms. Kwan made a data request about very specific information that was being requested by Madame Chabot, and we will provide that as requested.

The Chair: Thank you, Ms. Bowers.

We have Madam Zarrillo for two and a half minutes.

Ms. Bonita Zarrillo (Port Moody—Coquitlam, NDP): Thank you, Mr. Chair, and thank you so much, Ms. Bowers, for your testimony today.

I hear there is no confidence in the national housing strategy targets being met in the current format. The market-driven focus that CMHC has taken is not working for the most vulnerable, and it seems that the federal housing advocate is urging a change of approach, more of a human rights-based approach, to housing. It was mentioned a number of times today that current results are by design and by policy.

My question, Ms. Bowers, is this. Do you plan to make immediate changes to policy and design in the national housing strategy, and what are those changes?

• (1655)

Ms. Romy Bowers: The national housing strategy is comprised of a number of initiatives that provide housing across the housing continuum. We have programs that provide close to market housing, but most of our programs are intended to support Canadians in need. We provide and track the housing units that are financed through the programs and provide transparency about the units that are being financed.

When I think about the grants and loans that are being made available through our programs, we provide the deepest level of funding to the housing providers that provide the most social benefit.

Ms. Bonita Zarrillo: Are there changes coming to the market focus to move more to supporting vulnerable—

Ms. Romy Bowers: I don't agree that the national housing strategy is market-focused. It depends on the program. Most of our funding is going to those in need, and I think it's mostly the rental construction financing initiative, which is 100% loan-based programs, that provides close to market housing. In terms of the deep subsidies for affordable housing, the bulk of our program is going to non-profits and other levels of government.

Ms. Bonita Zarrillo: Did those non-profits know that operating agreements were expiring over the last 10 years? I've known for 10 years that operating agreements were going to expire.

I'm going to ask a bit about the rapid housing agreements—and nothing was done on those expiring operating agreements. I have an Order Paper question here on the rapid housing initiative, and I just wanted to understand “underfunded”.

How many rapid housing initiative applications were denied federal funding? In round one, there were 12,000 units, approximately. In round two, it was reduced to 5,000 units. Can you give us an idea of why those projects were denied? I see in Nunavut as little as 12.5% of programs in round one.

Can you give us some information on why they weren't funded?

Ms. Romy Bowers: The rapid housing initiative is our most generous funding program. There were many more applications than there was funding available. I don't have the specific units, as you mentioned. For example, in the first round of the initiative, there was \$1 billion of funding available, and we received over \$6 billion in applications. We had—

Ms. Bonita Zarrillo: I don't have much time. I'm sorry, Ms. Bowers.

Could you, in follow-up, let us know what the criteria were for choosing? What was the decision tree for choosing?

Ms. Romy Bowers: Yes, absolutely.

The Chair: Thank you, Madam Zarrillo. The answer to that question will be provided to the committee.

Ms. Romy Bowers: Yes, our criteria are very transparent, and the scoring criteria are provided publicly.

The Chair: Thank you.

We have Mr. Aitchison for five minutes, please.

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

Ms. Bowers, we know that the CMHC paid out about \$48 million in staff bonuses over 2020 and 2021.

Can you tell us what the bonus pool is for 2022?

Ms. Romy Bowers: The question is what is the bonus pool for 2021-22?

Mr. Scott Aitchison: No. How much will the bonus pool be for 2022 specifically?

Ms. Romy Bowers: That determination has not been made. We're at the end of the year, and we're just going through the end-of-year performance evaluations for employees.

Mr. Scott Aitchison: I'm sorry. You reported back at public accounts last week that it was \$30 million for 2022. Is that a rough estimate?

Ms. Romy Bowers: That's a rough estimate, yes.

Mr. Scott Aitchison: Okay, so it's a rough estimate of \$30 million for 2022.

Ms. Romy Bowers: That's correct.

Mr. Scott Aitchison: What I'm struggling with is that when we think about bonuses, we think about a really exceptional job being done, and the Parliamentary Budget Officer's reported that over the first three years of the national housing strategy the CMHC spent less than half of the funding allocated for two key initiatives, one of which, of course, is the national housing coinvestment fund, which spent only about 50% of its allocated dollars over those three years. We know too that the Auditor General has reported that many of those units weren't in fact affordable. We know that inflation actually means now that a lot of the funds that are being invested don't go as far, because of course inflation is a bit out of control.

We know that in general, the housing situation is getting worse. And it's not just the homeless situation, although it's bad; 216 people died in Toronto last year, which is over four people per week, or double what it was in 2017. Home prices are more than double in the last seven years. The National Bank of Canada said in the second quarter of 2022 that the mortgage in a home now takes about 63.9% of income to service. That's the highest it's been since 1982. The PBO has reported that an average of \$118 million a year was spent on homelessness programs. It's been bumped up to \$357 million a year, yet homelessness continues to be on the rise. Of course, we don't really know exactly where this money's being spent and if it's actually having the impact we want it to have.

What I struggle with and I think what a lot of Canadians struggle with is how we can come up with a bonus pool of \$30 million, or

whatever it might be. We've made some progress; we've done some good things here, and I have no doubt that everybody at the CMHC means well, but bonuses should be based on results, and the results just aren't really there. I'm wondering if you could speak to that.

• (1700)

Ms. Romy Bowers: Mr. Chair, I provided a number of indicators that we measure success by in terms of number of housing units created and repaired, and number of households aided, and we're on track to meet those targets.

In terms of the allocated budget being used within a calendar year, I have to note that the construction cycle is difficult to determine, so sometimes we commit money for a certain fiscal year but the fiscal year doesn't align perfectly with the construction cycle. Sometimes we have to change the allocation of money from one year to the next, and that's what results in money not being used within a specific calendar year.

Mr. Scott Aitchison: I'm going to give you a couple of examples in Parry Sound—Muskoka, where well-meaning community organizations like Community Living South Muskoka had the land, had everything lined up and got all the approvals in place to build units for folks that were desperately needed, and by the time it got to the CMHC process, they gave up and sold the land—they just stopped. I can give you example after example after example like that. Canadians see the results, and they're not good enough.

Is the CMHC the right vehicle to be delivering on housing affordability for this country?

Ms. Romy Bowers: There's no doubt that especially in the early years of the coinvestment fund there were many pain points in our processes. We've made significant improvements in the processing times and we're working really hard to serve the needs of the amazing non-profit groups that are working in ridings like those that were just mentioned. I'm very happy to get feedback about specific pain points that MPs are experiencing and action them.

Mr. Scott Aitchison: I appreciate that, and I would like to talk to you more about it, because as much as it may feel like we're just attacking you here, this is a really very serious issue. It's probably one of the most important reasons for my deciding to run here, because as a mayor we were doing all kinds of things in my community to support the development of affordable housing and to support housing in general. What was missing in our community was a reliable federal partner, and that was the CMHC. It was impossible for different groups to get money out of the CMHC.

I appreciate that everyone cares, and I think that when the national housing strategy was launched, it was launched with great fanfare. Everybody cares, but if we're not delivering the results that Canadians deserve, then we need to regroup and talk about who's accountable. You talked about housing being a team sport, and I agree with you 1,000%. It's not just all levels of government and the private sector, but even within this government it feels like no one's the captain of the team. I think that's what Canadians are struggling with the most right now.

I definitely want to continue the conversation with you to see what we can all be doing to work better to deliver results for Canadians, because there have been a lot of promises made and there are more people homeless today than there were before we started this.

I appreciate your time here.

The Chair: Thank you, Mr. Aitchison.

Give a quick response, Ms. Bowers, and then we'll go to Mr. Coteau.

Ms. Romy Bowers: Mr. Chair, I appreciate comments like this. CMHC has made significant improvements in the delivery of the national housing strategy. We are meeting the targets we have committed to. The rapid housing initiative is an example of CMHC's getting money out the door very quickly to help those in need. The turnaround time has been quite remarkable.

We feel that the rapid housing initiative's success has been made possible only because of the lessons we've learned from our other programs. We're a learning organization, and I welcome feedback like this so we can continue to improve and deliver for Canadians.

• (1705)

The Chair: Thank you, Ms. Bowers and Mr. Aitchison.

Mr. Van Bynen, you have five minutes.

Mr. Tony Van Bynen (Newmarket—Aurora, Lib.): Thank you, Mr. Chair. This has been very informative for me. Having spent 30 years in banking institutions, I understand how difficult it is to manage portfolios.

As Mr. Aitchison said earlier, I've also had some experiences when individuals have approached, taken on or wanted to develop projects, and have simply become frustrated and walked away from the project. In fact, there is one group that had to engage a consultant to take them into the application process to manage the funding application and work through that. We can talk about that in detail.

The frustrating thing is that smaller community groups simply don't have those resources. I'd like to hear a bit more about the support that you're talking about in terms of the resources you're supplying to smaller community groups.

Ms. Romy Bowers: I'd like to turn this over to Yannick Monaghan, who is our director of client services. He's probably in the best position to provide more detail about how we're working to better support smaller communities and community organizations.

Mr. Yannick Monaghan (Director, Client Solutions, Canada Mortgage and Housing Corporation): Thank you, Romy.

Mr. Chair, we work directly with housing providers across the country to help them from cradle to grave. We support them from the development of an application to the financing of that project. We see it all the way through the construction, if the proponent's successful.

We've put things in place in order to determine their readiness and help them develop a plan on how to address any gaps they may have in their project, whether it's a lack of property management experience or a lack of construction experience. This is to make sure they associate with partners in the community that can support

them in order to deliver and see their project through to serve the community they intend to serve.

Mr. Tony Van Bynen: Is there a summary of that project that could be shared with the committee, so that could be part of our record as well?

There's another measure I'd like to know about and see if you measure this. Do you have any data on the number of applications that were started but not completed?

Ms. Romy Bowers: Yes, we have that information.

Mr. Tony Van Bynen: Could you share that with us?

I'm going back to the process. How many end-to-end process reviews have you undertaken for the borrowing cycle and application cycle? If you have taken them, what's the average timeline?

What are the process improvement goals that you ask of your management team?

Ms. Romy Bowers: We have a process improvement group at CMHC that works with the business. I don't have that specific information at hand right now.

Maybe I can ask Yannick to comment on it on a very general level. We can provide the specific details later, if that's okay with you.

Mr. Tony Van Bynen: Yes.

Mr. Yannick Monaghan: Absolutely, Romy.

Mr. Chair, the timelines vary by program. I'll take an example of the two programs that were talked about the most today, which were the coinvestment fund and the rental construction initiative, as well as the rapid housing initiative.

We try to connect with proponents and give them clarity relative to the likely outcomes of their program within two weeks of their initial submission. We work with them toward developing a successful application and see it through to funding. That can take—as you know, having been in the banking sector for some time—around six to seven months. That's in order to completely understand the risks we're facing and to put a plan in place to mitigate them and make sure they can deliver a successful project.

We've made a number of changes in order to take in the feedback that we've received from proponents. In the coinvestment program, we received some feedback that for smaller proponents, the loan and contribution streams were difficult to navigate. We made sure to develop a program that was the right size for those organizations. That's when we launched and made a contribution-only program that allowed them to access funding within four weeks.

We've put things in place like this across our various programs to make sure we adjust to the feedback of the proponents we deal with.

Mr. Tony Van Bynen: With those average figures and numbers, I'm going to assume that's part of the improvement in those processes. It's part of the criteria for the management bonuses that provide some performance incentives.

Did I hear you right when you said your arrears are only 0.5 of 1%?

• (1710)

Ms. Romy Bowers: They are, for the mortgage insurance book, yes.

Mr. Tony Van Bynen: Wow. Did it occur to CMHC that you might be a bit too stingy?

Voices: Oh, oh!

Ms. Romy Bowers: I don't think this is unique to CMHC. When you look at the whole mortgage market in Canada, there's been a very low level of arrears. The biggest factor that drives arrears is unemployment. To date, the employment situation in Canada is very strong.

I also want to highlight that arrears is a lagging indicator. What we often look at is arrears in the credit card book and other non-secured lending. Oftentimes, the arrears rates for those get higher before the mortgages do. We look at those on a regular basis. To date, Canadians are paying their bills.

We are vigilant. We don't have any immediate concerns about our mortgage book.

Mr. Tony Van Bynen: Would you be able to provide us with data that talks about your delinquency rate in comparison to, say, the big five banks?

Ms. Romy Bowers: Yes, we'd be very happy to provide that. We provide information on a quarterly basis as part of our quarterly reporting. We'd be very happy to pull the latest information for you.

Mr. Tony Van Bynen: Thank you.

The Chair: Mr. Van Bynen, your time is up.

We now have Mrs. Gray for five minutes.

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

I think the testimony here, today, has been quite enlightening. You referred to the national housing strategy goals as “pie in the sky”. I think “aspirational” was another word you used.

If we look at the Liberal government's housing plan.... It refers to it as “A Home. For Everyone.” It is a comprehensive plan that will “unlock home ownership”. It then lists a number of objectives of the plan, and it lists commitments. I'll point out two commitments, because I think they're relevant to the conversation we're having here today. One is “help renters become owners” and the other is “end chronic homelessness”.

Based on that, and on the communication coming out of the government, which talks about a plan and commitments, those are very definitive. It sounds as if there's a real misalignment with what you're saying here, today—that in fact, this housing strategy is “pie in the sky” aspirational ideas. It's not really something that's achievable.

Ms. Romy Bowers: Mr. Chair, I want to clarify that the national housing strategy has very clear targets, which are, for example, 530,000 households whose housing needs are reduced; the creation of 160,000 new units of housing; the repair of 300,000 housing units; the protection of 385,000 community housing units; 300,000 households provided affordability support through the Canada housing benefit; and 25% of all funding going to women and children. Those are very concrete measures.

With respect to CMHC's aspiration, our goal is that by 2030, all Canadians will have a home they can afford that meets their needs. That is not the goal of the national housing strategy. That is the goal of CMHC. It is the North Star that guides our activities, and it is aspirational in nature.

I want to make sure there's clarity between CMHC's aspiration and the very specific goals of the national housing strategy.

Mrs. Tracy Gray: Thank you.

One thing we're talking about a lot here today is the Auditor General's report about ending chronic homelessness. There is a commitment from the government to end chronic homelessness, yet the Auditor General's report clearly says that...well, we've talked a lot about it here today. We have this \$4.5-billion spend, but we don't know whether it's successful. We don't know what it's achieving. It's all laid out in the report. That's very concerning.

I want to ask you a few other questions.

You mentioned the barriers to housing affordability, one of which was red tape, bureaucracy, at different levels of government. Is that, in fact, a barrier to housing affordability in the country? Is that what's adding to it? Is it the bureaucracy and red tape we're seeing at different levels of government? Is that making it more difficult?

Ms. Romy Bowers: Mr. Chair, housing is very local. Housing construction is very local. I talk to developers and not-for-profit housing developers all the time. It is very difficult to work through the levels of permitting and approvals required at the local level.

In budget 2022, there was a new initiative announced by the government, called the housing accelerator fund. CMHC is in the process of developing that. The purpose of that fund is to provide incentives at the municipal level to unlock those barriers at the local level.

I don't always want to cast.... I know there are many ex-municipal politicians in the room. It's very easy to point fingers in the housing space. Sometimes the barriers are not because of bureaucracy. They're also because of things like neighbourhood opposition and the lack of skilled trades in specific neighbourhoods. Housing is complex, and the barriers are complex. It's up to each municipal government or locality to address those.

• (1715)

Mrs. Tracy Gray: Great, thank you.

Would inflation be another way in which building affordable housing is more difficult? Would that be definitely adding to and making it more difficult?

Ms. Romy Bowers: When I talk to many developers, as well as non-profit providers, they have noted that construction costs have gone up.

Real estate is a very interest rate-sensitive business. Increasing interest rates definitely impacts the housing development process.

Mrs. Tracy Gray: Thank you.

Would another barrier to building affordable housing also be the low Canadian dollar? The Canadian dollar is not going as far, and we know a lot of items are imported. There's lumber, refrigerators and other things.

Would that also be making it more difficult to meet affordable housing objectives?

Ms. Romy Bowers: On that, I might call on Bob Dugan, who's our chief economist. He may be more familiar with the impact of the low Canadian dollar on the housing supply chain.

Mrs. Tracy Gray: Actually, just because I'm almost out of time, could you maybe table that information? If there's an analysis on that or any information that you could table for this committee, that would be great.

Thank you.

The Chair: Thank you.

Will that information be provided to the committee?

Ms. Romy Bowers: Just to confirm, the request is for information on the impact of the low Canadian dollar on housing supply creation.

The Chair: That's correct.

Ms. Romy Bowers: I will provide that.

Mrs. Tracy Gray: That's including the costs.

The Chair: Thank you.

Mr. Collins, you have five minutes.

Mr. Chad Collins: Thanks, Mr. Chair. I'll be sharing my time with Mr. Long.

Through you, there seems to be near unanimity around the table that some of the programs are working very well. I think we're almost all agreed that the rapid housing initiative has worked very well for our clients in serving municipalities and not-for-profits. You've pivoted to that program many times when we've been critical of the strategy itself, and I think for good reason: It has worked.

Some of the other questions around the other programs, though, are indicative of the fact that we are struggling to understand why we're not serving more of the population that we would consider vulnerable. How do we change the strategy?

I asked you in my first round of questioning, through you, Mr. Chair, about a reset. If we don't believe that the record supports we're providing are reaching the target populations, what direction do we need to give you and the board to reset those programs to en-

sure the majority isn't going to the not-for-profits and municipalities? I want to see the vast majority of the resources we provide flow through to the organizations that are serving our most vulnerable populations.

Through you, Mr. Chair, what do you need from us to change those programs, so they're reaching those goals and reaching those populations?

Ms. Romy Bowers: Mr. Chair, housing affordability is a function of the level of funding that's available. I'm not talking about loans, but the level of grant funding. Real estate development is a very risky venture, and it's very expensive to build new housing in Canada. The rent is a function of the level of equity and the level of grant funding that's available to the proponents.

My view is that it's not a sole federal government responsibility to provide that funding. All levels of government need to be very serious about supporting the affordable housing sector. The way to do that is to provide more generous contributions to the non-profit sector.

Mr. Chad Collins: To be clear, through you, Mr. Chair, you're the one who created the program. Your board has not just created those programs; you're managing them as well.

If we're not satisfied with the performance around the table—and we are all of different political stripes here—what do we need to do? If we say this hasn't gone far enough, that what you've experimented with in some areas isn't working and we need that to change, what direction do you need from us?

Ms. Romy Bowers: I believe that greater investments for deeply affordable housing funding are absolutely necessary.

However, I have to also note that the housing system is one system. You need to also have a market housing system that is functioning well. As we've noted in many of our research reports, there is a big disconnect between the demand for market housing and the supply. When the market is not working well, it puts pressure all across the housing system.

It's for this reason that I think there is a public policy benefit in the government's supporting all aspects of the housing system. Definitely, the bulk of the grant funding should go to the non-profit sector, but it's also super important to focus on the entire market.

For example, I and CMHC are big believers that we have a deficit in purpose-built rental housing in Canada. We have not built rental housing in scale for many decades. There is a public policy benefit in supporting the creation of more rental housing.

• (1720)

Mr. Chad Collins: Thank you.

I cede the rest of the time to Mr. Long.

The Chair: Mr. Long, you have one and a half minutes.

Mr. Wayne Long: Thanks, Chair.

I just want to go back to some of the non-profits in my riding that had trouble getting through the system. What would you do right now to improve that?

I had non-profits that had to hire consultants, architects, engineers and what have you because they just couldn't navigate that system. What changes could you immediately make with CMHC to help those non-profits?

Ms. Romy Bowers: I would encourage the non-profits in your area to reconnect with their client representative.

I would also focus on CMHC's working not only with a non-profit but with the provincial and municipal governments to make sure the various housing programs that we have available at the various levels of government are aligned, because I know that for non-profits to make their project work, they need not only CMHC funding but funding from other sources. We can do a much better job of making that alignment happen.

Mr. Wayne Long: Do your reps get out in the field much?

Ms. Romy Bowers: We have employees across Canada. I think most of them are in the field all the time, meeting proponents. If they haven't come out to meet the clients in your riding, I'll be very happy to send our staff to them.

Mr. Wayne Long: Thank you.

The Chair: Thank you, Mr. Long.

You had 10 seconds left. It's gone now.

Thank you, Ms. Bowers.

To conclude, we'll have a quick question from Madame Chabot and one from Madam Zarrillo.

Madame Chabot, do you have a question?

[*Translation*]

Ms. Louise Chabot: Yes, Mr. Chair.

How much speaking time are you giving me to ask my question?

The Chair: You have two and a half minutes.

Ms. Louise Chabot: Okay. Thank you.

I have some comments for the witnesses, who are the main people responsible for implementing the national housing strategy programs. In fact, CMHC created these programs.

What should be done as of right now? In view of the strategy's failure, one option could be to change it completely. It's clear that the programs are not flexible enough to allow answers to very specific questions. For example, we don't know how many housing units are available to vulnerable people, how many units are available to persons with disabilities, how many homeless people have been able to get access to a unit, or at what point the objectives will have been met. If we can't provide this kind of information, there's a serious problem.

There are two options: either we continue as we have and make the programs more flexible, or we throw out the baby with the bath-water, which is not an option.

[*English*]

Ms. Romy Bowers: Mr. Chair, we will continue to take feedback from this committee. We welcome that.

I do not agree with the statement that the national housing strategy has been a failure. It has been a very significant change in terms of the federal government's involvement in housing. We have learned many lessons along the way and have improved our programs. We feel there is more to do, specifically with respect to serving vulnerable populations.

With respect to our reporting, we collect data about the number of shelters built, the number of seniors helped and the number of women who are living in the housing. We can do a better job of providing more granular reporting, and we can do more timely reporting. I'm very committed to doing that in the years ahead.

The Chair: Thank you, Madame Chabot.

Madam Zarrillo, you have two and a half minutes.

• (1725)

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

I want to agree with Ms. Bowers on the need for purpose-built rentals, as we desperately need that. There were some tax incentives that were promised by the Liberal government that didn't transpire, and I would really encourage the government to think about tax incentives for purpose-built rentals.

I also want to make a note on the rapid housing initiative. I'm not necessarily in full agreement with my colleague. In track one and track two, about 1,300 units have been built, with about 6,500 units—according to the data I just received last month—still being built. They are either in process or still being built, so we have only 1,300 that were built.

I wanted to go back to the comment that has just been made about what we do next to catch those that are being left behind. I'm focused on some of the comments you made around affordability, even in the RCFI, in rentals. Are subsidies and maybe being able to subsidize those ongoing operating rent subsidies the kinds of things that are needed from the government to get people into rental houses and to get people housed?

Ms. Romy Bowers: With respect to the rental construction financing initiative, this is a 100% loan program. Its aim is increasing the supply of market rentals. In order to decrease the level of rents to make the projects work, you need either greater levels of contribution or rent supplements. Those are typical tools that you need to drive down rents. In addition to that, having free land is also very helpful.

As I mentioned, in order to create affordable housing you need a whole suite of levers to drive down the cost of the housing, given the expense of creating new housing units.

Ms. Bonita Zarrillo: Just on subsidized rentals, is that an ongoing conversation about increasing subsidies? We know operating agreements are expiring. We're losing some of this really affordable rental housing. Is there a conversation at CMHC about wanting to expand subsidized rentals?

Ms. Romy Bowers: There's the Canada housing benefit. That's the rent supplement program. We call it backward-loaded, as the bulk of the funding is available in the latter years of the program.

The implementation of that goes through the provinces and territories, and we can definitely do greater work with the provinces and territories to make sure the Canada housing benefit gets to those who are most in need.

The Chair: Thank you, Madam Zarrillo.

Thank you, Ms. Bowers and the officials from CMHC.

You can see that the frustration came from both sides of the committee room today, but I also acknowledge the compelling testimony that you gave to the committee on the recognition of what must change.

Thank you so much for the detailed information you provided to committee. We have more meetings on this subject.

Again, thank you for being here for the full two hours and taking those questions.

CMHC, you're okay to go.

Before we adjourn, committee members received a draft of the news release announcing the Centennial Flame decision. Can I have an approval for that to go public?

Some hon. members: Agreed.

The Chair: Just as a heads-up, the supporting Black communities report, version two, is complete. It has an amendment from Ms. Ferreri, and it will be circulated later. The labour shortage one is being finalized, so we should be able to get to that.

With that—

Madam Zarrillo.

Ms. Bonita Zarrillo: Mr. Chair, in relation to that, I'm finding that we don't know, with enough notice, who's going to be coming to committee, or what's planned for committee.

Is there an opportunity for this committee as a whole, or for the subcommittee, to sit down and lay out at least the next month? I know we're breaking, but when we come back.... I am finding it difficult to have access to information in the short window that we're given on what's happening on the agenda. Sometimes in less than 24 hours we're told that this is what's on the agenda this week.

The Chair: That's valid. Thank you, Madam Zarrillo.

Sometimes it's because we also get short notice that somebody cannot appear, so rather than losing it, we try to schedule something in. However, that is valid. We will sit down—I prefer to do it as a committee of the whole with everybody—and look at what motions are before the committee and put a timeline in place.

However, at this stage the focus is on those two studies and on getting the report and the legislation, Bill C-22, through.

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

The meeting is adjourned.

● (1730)

Published under the authority of the Speaker of
the House of Commons

SPEAKER'S PERMISSION

The proceedings of the House of Commons and its committees are hereby made available to provide greater public access. The parliamentary privilege of the House of Commons to control the publication and broadcast of the proceedings of the House of Commons and its committees is nonetheless reserved. All copyrights therein are also reserved.

Reproduction of the proceedings of the House of Commons and its committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the Copyright Act. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the Copyright Act.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

Also available on the House of Commons website at the following address: <https://www.ourcommons.ca>

Publié en conformité de l'autorité
du Président de la Chambre des communes

PERMISSION DU PRÉSIDENT

Les délibérations de la Chambre des communes et de ses comités sont mises à la disposition du public pour mieux le renseigner. La Chambre conserve néanmoins son privilège parlementaire de contrôler la publication et la diffusion des délibérations et elle possède tous les droits d'auteur sur celles-ci.

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la Loi sur le droit d'auteur. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre des communes.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la Loi sur le droit d'auteur.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

Aussi disponible sur le site Web de la Chambre des communes à l'adresse suivante :
<https://www.noscommunes.ca>