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Chair: Mr. Robert Morrissey

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• (1100)

[English]

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

The clerk has advised me that we have quorum. Those members who are appearing virtually have been sound tested.

Welcome to meeting number 85 of the House of the Commons Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities.

Pursuant to Standing Order 108(2), the committee will be receiving a briefing from the Canada Mortgage and Housing Corporation and the Office of Infrastructure of Canada.

Today's meeting is taking place in a hybrid format, pursuant to House of Commons rules that were adopted earlier. For those attending in the room and virtually, you can choose to participate in the official language of your choice. Use the interpretation headset that is in the room by selecting the language you wish to participate in.

Those appearing virtually can use the translation icon at the bottom of your Surface device and click. If there is an interruption in translation, please get my attention. To those in the room, raise your hand; to those appearing virtually, use the “raise hand” function. I will suspend while the issue is being corrected.

I will ask members to speak slowly. For the benefit of our translators, please keep your earpiece away from the mike to avoid popping of the sound system. Speak as slowly as you can so that your comments can be translated correctly.

Appearing today is Romy Bowers, president and chief executive officer of CMHC. Welcome, Ms. Bowers.

From the Office of Infrastructure of Canada, we have Kelly Gillis, deputy minister, and Kris Johnson, director general, homelessness policy directorate. Welcome, Ms. Gillis and Mr. Johnson.

Ms. Bowers, I believe you want to make a brief opening statement.

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

I would like to thank you very much for having me here today to talk about the housing challenges Canada is facing, what CMHC is doing to help today and what we see as the path forward.

[Translation]

We at CMHC are seeing two distinct but connected housing crises.

There's a crisis for the most vulnerable—people who are struggling to have even their basic housing needs met because of a lack of affordable, or social, housing, and insufficient income supports.

Meanwhile, there's also an affordability crisis for middle-income people, who are finding it increasingly difficult to afford market housing. The separate crises are connected by the fact that housing exists on a continuum.

People who can't afford to buy a home will stay in the rental space longer. That makes renting more expensive for those trying to transition out of social housing and into the market. That, in turn, makes the social-housing wait list longer, which has an impact on homelessness.

• (1105)

[English]

If we're going to achieve housing affordability in this country, we will need an across-the-board increase in housing supply. We will need more market housing, particularly purpose-built rental homes, as well as more social and affordable housing.

We need much more housing, in fact. Our research at CMHC has found that to reach affordability by the year 2030, Canada will need to build an additional 3.5 million homes, which is beyond what the country's already on track to produce.

Reaching affordability will take a whole-of-government approach. CMHC, as Canada's national housing agency, plays a very important role, of course. Our work complements that of Infrastructure Canada, which is the department responsible for leading housing policy. The strengthened partnership with Infrastructure Canada will ensure that investments in housing leverage existing infrastructure. In addition, the recently announced GST exemptions for rental construction and the increase in the Canada mortgage bond limits are under the purview of Finance Canada. These two measures will also support the expansion of our housing stock.

That said, the federal government does not have access to all of the levers that control housing affordability. Many of them are in the jurisdiction of provincial, territorial and municipal governments, which are responsible for things like land use policies, permitting and tenant-landlord relations. The main approaches available to the federal government are to encourage and incentivize the other orders of government to make housing a priority.

The biggest player, in our view, is really the private sector. The private sector provides the vast majority of housing in Canada. We need private sector capital, so governments need to create the conditions necessary to attract that investment in housing.

However, the private sector won't be able to just buy Canada out of this situation. Skilled labour shortages in the construction sector mean that Canada does not have the human capacity to close the supply gap. Canada needs to boost productivity in the construction sector, partly by encouraging innovation and fixing supply chain issues. We can't keep building houses the way we have for decades.

In conclusion, I'd like to state that what's really important in this space is partnerships with the private sector, other orders of government, the non-profit sector and indigenous communities. We truly need all hands on deck.

Fortunately, the national housing strategy was designed very much with this in mind. Collaboration is built into many of its initiatives, but we need to do more and we need to go further. The national housing strategy has made significant progress since it was launched in 2017, but it was not, even at that time, intended to be the sole solution to our housing challenges.

I'm pleased to be here today to work very closely with this committee on how we can go further as a country to address our housing affordability challenges.

On one last note, as members of this committee may already be aware, I will be leaving CMHC in December this year to pursue an opportunity at the International Monetary Fund. It has been the privilege of my life to serve as the CEO of CMHC and to work with a very dedicated and committed group of employees.

I would also like to acknowledge the dedication of the people on this committee and to thank you for your attention to housing in Canada.

Thank you.

• (1110)

The Chair: Thank you, Ms. Bowers.

Congratulations on your new position. As with all positions, I'm sure the challenges will be different and you will have an opportunity to contribute at a different level worldwide. We wish you all the best as you move into a new role.

Ms. Gillis, do you have some comments?

Ms. Kelly Gillis (Deputy Minister, Office of Infrastructure of Canada): I just have some brief comments, Mr. Chair.

The Chair: That's fine.

Ms. Kelly Gillis: Thank you, Mr. Chair, for welcoming me here today.

I'd like begin by acknowledging that we are here on the traditional unceded territory of the Algonquin Anishinabe people.

Infrastructure Canada began supporting the Government of Canada's housing and homelessness agenda in November 2021.

[*Translation*]

Infrastructure Canada is taking a key role in federal housing policy, in partnership with CMHC. This strengthened partnership reflects a whole-of-government approach that the federal government is taking to address housing and homelessness.

[*English*]

We understand that investments in housing, public transit, water infrastructure, community centres and other public infrastructure are all interconnected and that they are essential to building communities that are livable and affordable, communities where people can not only afford their homes and lead comfortable lives but also enjoy easy access to essential programs and services and effective public transit to take them places for work and school.

[*Translation*]

But, we also recognize that the housing environment has changed drastically in recent years. A severe housing shortage, inflation, and rising interest rates have created a situation where middle-class Canadians are struggling with affordability.

[*English*]

We are already working very closely with CMHC as we take on additional actions to help address this crisis. We're grateful to have their expertise by our side as we continue to take an increased role in the federal housing policy and to strengthen this government's capacity to deliver on a housing and homelessness agenda that can benefit everyone in Canada.

Furthermore, Infrastructure Canada leads on supporting the most vulnerable Canadians through Reaching Home, Canada's homelessness strategy. This program, as part of the national housing strategy, is helping those who are homeless or at risk of becoming homeless to accept support services and safe and stable housing.

[*Translation*]

Reaching Home is investing almost \$4 billion to address this challenge. Through the strategy, we're working with our partners to reduce chronic homelessness in Canada and ultimately eliminate it, helping our most vulnerable neighbours access the safe and affordable homes they deserve.

[English]

When we take an approach that considers housing and infrastructure needs together, we can better address local needs while achieving shared results.

[Translation]

Tackling housing and affordability will take a whole-of-government approach and more investment from all levels of government and the private sector.

[English]

To catalyze this change, the federal government is taking action by offering programs and financing solutions that make housing and life more affordable for Canadians. While we invest in housing and community infrastructure, we're creating stronger communities and investing for the well-being of Canadians today and for generations to come.

I had the privilege of coming here a few weeks ago with Minister Fraser when he talked about a six-point plan and needing to do more and was seeking the committee's advice, and I look forward to the discussion here today.

[Translation]

Thank you very much.

[English]

The Chair: Thank you, Ms. Gillis.

As the committee is aware, this is one two-hour session, so we'll follow the rotation to the end.

Welcome, Mr. Chambers, to the committee this morning.

We will begin with Mr. Aitchison for six minutes, please.

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

Ms. Bowers, I want to talk about the housing accelerator fund. I understand it is now closed for applications.

How much was that fund overall, the total amount?

Ms. Romy Bowers: It was \$1 billion.

Mr. Scott Aitchison: Okay, and if it's closed, does it mean that the money has now been distributed completely?

Ms. Romy Bowers: No, it means that we've received over 600 applications.

Mr. Scott Aitchison: Okay. How many applications have been approved to date, and how much money has actually gone out the door?

Ms. Romy Bowers: The application window closed at the end of August, and we have announced agreements with seven municipalities to date.

• (1115)

Mr. Scott Aitchison: How much money does that encompass of the fund?

Ms. Romy Bowers: I don't have that exact number, but I can certainly provide that after the fact.

Mr. Scott Aitchison: Please do.

Could you tell us how many homes have been constructed so far as a result of this stimulating money?

Ms. Romy Bowers: The purpose of the fund, Chair, is to provide incentives for municipalities to reform their municipal processes, things like land use planning. It doesn't provide direct funding for the construction of homes.

The idea behind the fund and the policy intent is to commit municipalities for transformational reforms, and once certain milestones are hit and housing starts are accelerated, they receive payment.

Mr. Scott Aitchison: Can you tell us, then, how many units have been started as a result of the program?

Ms. Romy Bowers: When the applications are approved, our target is 100,000 incremental new starts in the first three years.

Mr. Scott Aitchison: Do you know if any have actually been started yet? Have you had reports on that?

Ms. Romy Bowers: We've just approved seven of 606 applications that have been received. It's in the very early stages of the program, so I can't comment on the starts at this point.

Mr. Scott Aitchison: Will you be tracking the results, then? If the goal is to have the number of units you just mentioned, will you be tracking the results, based on each of the municipal submissions?

Ms. Romy Bowers: Yes. We'll be tracking two things: We'll be tracking the incremental increase in starts the municipalities have committed to, and in addition to that, we'll be tracking the transformational reforms in the municipal processes.

Each municipality is required to submit a detailed plan of the reforms they undertake, with milestones provided by year. We're providing check-ins with each municipality on a six-month basis.

Mr. Scott Aitchison: As part of the adjudication process of each of the applications from each of these municipalities, I understand an action plan is required as part of the submission. Every municipality has to submit an action plan for how they'll carry out these various different objectives. Is that correct?

Ms. Romy Bowers: That's correct.

Mr. Scott Aitchison: Would you be able to table those action plans with the committee?

Ms. Romy Bowers: As I said, we've only finalized agreements with seven municipalities. We will make these public as the applications are processed.

Mr. Scott Aitchison: Then there are seven municipalities whose action plans we can see. Could you table those with us?

Ms. Romy Bowers: I'll have to take that away. I'm not sure of their status in terms of public distribution, but I will get back to you on that.

Mr. Scott Aitchison: Okay. I just want to clarify that municipalities are public bodies looking for public money from the federal government, so I would think we should be able to see those action plans.

Ms. Romy Bowers: Yes, absolutely. Transparency is very important for this program and for all programs.

Mr. Scott Aitchison: Okay.

The Bank of Canada has made it clear that there are a number of challenges we're facing in Canada related to affordability. Tiff Macklem said, "Inflation in shelter prices is running above 6%. Part of this is due to...mortgage interest costs following increases in our policy interest rate. It also reflects higher rents and other housing costs, and these pressures are more related to the structural shortage of housing supply." He also said, "All of this is making underlying inflation more persistent."

I know you're a former banker. Would you agree that inflation is causing some of the problems here?

Ms. Romy Bowers: I can't comment on the state of inflation or the policies related to it, but I can comment that CMHC has done an extensive study of the housing supply gap that exists in Canada. We estimated there is a need for 3.5 million additional housing starts than are currently planned for in the next 10-year horizon. It's of utmost importance for Canada to really double our construction capacity in order to meet the needs of our growing population.

Mr. Scott Aitchison: That's all well and good, but would you agree in general that inflation is making it harder to get more homes built?

Ms. Romy Bowers: When we look at the projects that CMHC finances, we have seen increases in construction costs. Because real estate development tends to be a very interest-rate-sensitive sector, there has been a slowdown in construction activity, given the high interest rate environment.

• (1120)

Mr. Scott Aitchison: The governor also said, "It's going to be easier to get inflation down if monetary and fiscal policy [of the government] are rowing in the same direction."

I ask you this: Would it be easier to build more homes if fiscal policy here at the federal level and monetary policy were rowing in the same direction?

Ms. Romy Bowers: This subject matter is outside my area of expertise.

One thing I can note is that at CMHC it is a very challenging environment for housing construction, given the interest rate environment and also the inflationary impact on supply chains. Through our low-cost financing and other programs, we're trying to support the construction sector to the best of our ability.

Mr. Scott Aitchison: Thanks, Ms. Bowers.

The Chair: Thank you, Mr. Aitchison.

Mr. Van Bynen, you have six minutes.

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

It's good to have you back again. I look forward to an opportunity to update some additional information from our earlier discussions.

Through the housing accelerator fund, we're encouraging local governments to think big and to be bold in their approaches, which could include accelerating project timelines, allowing increased housing density and encouraging affordable housing units.

Can you discuss the best practices you've recently published on your website that municipalities can look to when making decisions to legalize housing and to maximize density at the local level?

Ms. Romy Bowers: As I mentioned, we have received over 600 applications from various municipalities across Canada. Based on our initial review of the applications, we have published a list of the 10 strongest practices that we see in the municipalities. This information is available on our website.

I'm not going to go through all of them, but some of the things I would like to highlight are things like, one, getting rid of practices like exclusionary zoning and building as-of-right housing. That's a great practice. A second practice is intensification of high-density housing around transit nodes. A third one would be the active support of affordable housing creation in municipalities. This can be done through things like property tax waivers and special treatment of development charges.

I can continue, but I really encourage the committee to look at the 10 items on our website. We will keep updating them as more applications are processed, but we are very excited by the activity and the enthusiasm of municipalities in adopting some of these best measures.

Mr. Tony Van Bynen: Great. I'm looking forward to making an announcement in our own riding. It's coming up this week, I think.

One of the issues I often hear about from not-for-profit organizations in my riding is that the ones that are interested in applying for funding through the national housing strategy program lack the administrative capacity to complete the application process and in some cases actually invest a substantial amount of money for consultants to see them through that process. What is CMHC doing to help not-for-profit organizations get through the administrative burden?

Ms. Romy Bowers: This is something I think about quite a lot in my job. When you look at the programs CMHC offers, you see that the vast majority of them are loan programs. I recognize that it is a challenge for many smaller non-profit organizations to go through the loan underwriting process. CMHC has worked very hard to simplify our processes and to make the application process as easy as possible. We created a grant-only stream in some of our programs, which allows a simpler application route and processing within four to six weeks. That's been a great improvement.

With respect to use of our loan programs, I think one of the best tools we have is what we've called a seed funding program. It's a very limited fund of money currently, but it's a way we have of paying for some of the costs that non-profits have to incur to actually get some of the documentation assessments done to prepare for real estate development. I feel there is much more room for expansion of that program.

Also, I want to call out the work of the Community Housing Transformation Centre. This is a group that was funded by the national housing strategy program. Its function is to provide capacity support to non-profits. Unfortunately, the demand for their services is very large and their resources are limited, but they've done some great work to develop the capacity of non-profits, and we feel that there is a lot of work that can be done in this area.

• (1125)

Mr. Tony Van Bynen: Since you last appeared at the committee, what progress has CMHC made in speeding up the application processes and their timelines since the launch of the national housing strategy? Is CMHC implementing lessons learned and best practices when it comes to application processing and funding rollout from the rapid housing initiative to other national housing strategy program?

As I recall, the last time we were here, we had a recent report from this committee that identified the need for an end-to-end process review with specific milestones and a request that specific goals be established to improve those processes. Have you made any progress in that?

Ms. Romy Bowers: We at CMHC look at our processes on a continuous basis. We survey our clients, whether they're successful in getting funding or not, to get their feedback, so we can actually improve on a continuous basis.

In terms of progress, since the start of the national housing strategy we have decreased our processing times by more than 50%. With respect to programs that involve grants or contributions only, we can get the money out the door within 60 days.

You mentioned the rapid housing initiative. That is a 100% grant program. We've been very successful with that in terms of getting the money out the door. Unfortunately, the demand for that program is very large, so there is probably one successful application for six that are submitted, but in terms of getting money out the door, it's very quick.

In terms of the loan-based programs, we survey our clients and we try to do a readiness assessment of the clients at the very start of the process. We find that if the clients have their documentation in order and if they have arrangements with other funders in place, we can process their applications much more quickly. We're trying to do a better job of doing that assessment first and to do a bit of a triage so that clients are provided with a realistic view of how long it takes.

The Chair: Thank you.

[*Translation*]

Ms. Chabot, the floor is yours for six minutes.

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

Ms. Bowers and Ms. Gillis, thank you for being here this morning.

The housing crisis concerns us all, and I think that everyone recognizes that there is one. Today, I don't want to talk about the causes but rather the solutions.

We had the opportunity to meet the new minister in charge of the file. You were also kind enough to make yourself available to meet with us. I remember having told you already that we were halfway through the national housing strategy, since the plan runs until 2027, if I'm not mistaken. The strategy has been in place for approximately five or six years now.

CMHC acknowledges that there will be a shortfall of 3.5 million housing units by 2030, or more given the federal government's immigration targets, with over one million immigrants slated for Quebec.

What is CMHC's strategy to tackle the housing crisis?

Will we be able to identify measures that will help us resolve the housing crisis?

[*English*]

Ms. Romy Bowers: As I mentioned in my opening remarks, we feel there are two crises in Canada. There is a crisis in affordability for the most vulnerable populations. The reason for this crisis is that for the last 20 to 30 years, we as a nation have underinvested in social or community housing as an important part of our social infrastructure. We have some of the lowest rates of community housing in the G7 or the OECD.

One important part of the solution is for the federal government to work with all other levels of government, including Quebec, and the non-profit sector, to expand the social housing stock. We estimate there are about 650,000 units of social housing in Canada, and some experts feel that we need to double that to be at the G7 average. That's one part of the solution.

The national housing strategy represents an \$82-billion investment in housing. Halfway through the program, we've committed about half the funding. We've repaired 130,000 units of aging social housing infrastructure and we've committed to the creation of about 60,000 additional units. As you can see, much more needs to be done, and this needs to be an all-of-society endeavour.

With respect to the second part of the crisis, this involves—

• (1130)

[*Translation*]

Ms. Louise Chabot: I need to interrupt you, because my time is limited.

There's something wrong here. For example, you're saying that you're focusing a lot on the global supply of rental housing units and that the private sector is the main partner. I don't want to demonize the private sector, which can contribute to the rental housing supply. However, Montreal has adopted what is known as the 20-20-20 bylaw, to force developers to build 20% social housing and 20% affordable housing, but they'd rather refuse and pay fines instead.

Should we continue to provide our support if there are no conditions attached to this commitment to build?

In fact, inevitably, it falls to non-profit organizations or housing cooperatives, who can also be part of the solution to this crisis.

What do you think about that?

[*English*]

Ms. Romy Bowers: I don't believe that the private sector is the sole solution to the housing crisis. I actually believe that to create deeply affordable units for those most in need, the government has to play that role of creating the housing. There is no way that the private sector can provide housing units at rents that are low enough for those most in need.

Having said that, I am very cognizant of the fact that 96% of the housing in Canada is created by the private sector. The private sector has not responded to the need that exists for housing. I think it's the role of government to create the conditions for the private sector to create the market housing that Canadians want.

[*Translation*]

Ms. Louise Chabot: It's not enough to talk about affordability, we must be able to sustain it, meaning ensure that it remains affordable through the provision of services.

Does CMHC has a strategy to keep housing affordable?

[*English*]

Ms. Romy Bowers: With respect to the funding from the national housing strategy, which supports those Canadians most in need, we have very strict requirements regarding the level of affordability and the length of affordability.

With respect to other types of housing, which are more market-oriented, we have fewer affordability requirements. However, in exchange for low-cost loans, we have requirements with respect to affordability versus the market and certain levels of energy efficiency or climate compatibility, as well as accessibility.

[*Translation*]

The Chair: Thank you, Ms. Chabot.

[*English*]

We'll go to Madame Zarrillo for six minutes, please.

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

I will have some questions for Ms. Gillis, but first I'd like to follow up on some of the comments that Ms. Bowers made.

You spoke about collaboration and beginning conversations at the very beginning of processes. I wonder, Ms. Bowers, if I could

get an updated contact list for western Canada's CMHC, because there are projects in Port Moody—Coquitlam that are ready to go, but we haven't had access to meetings or to make those connections. If I could have that, it would be amazing.

Ms. Romy Bowers: Yes. We can certainly provide that.

Ms. Bonita Zarrillo: Thank you.

This question is for Madam Gillis.

I am so happy to see you here today, and I am so pleased to see the collaboration and the joining together of the ministry for housing and the ministry for infrastructure and communities. This is because I agree with you 100% that there are other social infrastructure pieces that are necessary, including transit and community centres, but our focus today is on housing.

My question is based on the national housing strategy. Homelessness has been growing while this strategy has been in place, so this is a failing of the housing strategy. I want to understand what Infrastructure Canada did to alert the government when it saw the rising homelessness.

• (1135)

Ms. Kelly Gillis: Thank you for the question.

We look at homelessness, as Infrastructure Canada has been responsible for the policy and the program Reaching Home since they came over in November 2021. We have been very active in looking at different opportunities.

One of them is looking at and doing research with a number of communities, called an action research program, to understand... After you have Reaching Home in place, which requires coordinated access by name lists, this program provides systems and tools to community entities across the country to be able to help them help themselves on their priorities. That is one area of understanding: What more do communities need in working with us as we look to move forward?

We also launched the veteran homelessness program so that we will have a program dedicated directly to veterans. It has closed, and we're reviewing the applications. Also, during COVID, in budget 2022 we increased the funding for Reaching Home by another \$562 million, and community entities will be imminently informed of their top-up for that amount.

Those are a few things we've done fairly recently with regard to how we address this really important issue within the country.

Ms. Bonita Zarrillo: Thank you, Ms. Gillis.

You will remember little Alan Kurdi, the Syrian boy who passed away many years ago. The family of Alan Kurdi is in my riding. Just recently, some additional family members have come to Canada. They are in a hotel for 30 days as refugees and have been able to get an extension of another 30 days, but they have nowhere to go. They will be homeless in the next 30 days.

My question is whether Infrastructure Canada knows how many empty homes there are in Canada.

Ms. Kelly Gillis: No, we do not know how many empty homes there are in Canada. Through Reaching Home, we work very closely with the non-profit sector as well as municipalities in supporting their priorities. Through a community advisory board, they look at what's happening within their community and make the decisions on how best to support the people who are in precarious or vulnerable situations in their community. It's not the federal government telling them what to do or how to do it. They have the best knowledge of their community context to make the most informed decisions.

Ms. Bonita Zarrillo: I would just suggest that part of the research project you talked about earlier should be a better understanding of how many homes are sitting empty in Canada.

My second question is this: Does Infrastructure Canada—and maybe CMHC, if Ms. Bowers would like to answer—know how much housing stock is sitting in short-term rentals like Airbnb or Vrbo? Is there a number?

Ms. Kelly Gillis: I'll defer to Ms. Bowers on that one.

Ms. Romy Bowers: This is an area where there is a data gap. Based on best available data, we think there are probably about 30,000 units across the country. Like other areas of housing, this is an area where the data is provided by Statistics Canada. I think much more needs to be done in terms of increasing the robustness of this data.

Ms. Bonita Zarrillo: Thank you, Ms. Bowers.

You know that in B.C. they've recently changed legislation around short-term rentals. We know that there has been movement already and that some people who invested in multiple units are starting to think about divesting.

You mentioned, Ms. Bowers, that there's not enough labour in Canada to build the number of houses that are needed. Is there any discussion about being able to repatriate, or for the federal government to buy, some of these empty condominiums that will come on to the market in B.C. and potentially across the country if other provinces take this initiative?

Ms. Romy Bowers: I can't comment on initiatives to buy these units by the federal government, but I can comment that if there are indeed 30,000 Airbnb units available, if they do come available on the market, they will increase the supply available for Canadians.

I would like to note that the supply shortage in Canada is quite acute. We need millions more units of housing. Actions on Airbnbs are certainly constructive and can be helpful, but I think we really need to focus on increasing the supply of housing on a much larger scale.

• (1140)

Ms. Bonita Zarrillo: Thank you, Ms. Bowers.

My last question—

The Chair: That will be for the next round, Ms. Zarrillo.

We'll go to Ms. Gray for five minutes, please.

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

Thank you to the witnesses for being here.

During the previous appearance of the Minister of Housing, on September 27, with the CMHC, the minister told the member for Regina—Qu'Appelle that he would be “happy to review the process by which [CMHC] bonuses are provided”.

Has the minister issued you a directive regarding CMHC bonuses?

Ms. Romy Bowers: No. I'm not aware of this.

Mrs. Tracy Gray: If not issuing you a directive, has the minister come to you since that September 27 meeting to have a discussion around CMHC bonuses?

Ms. Romy Bowers: With respect to CMHC bonuses and our salary structure, we are an independent Crown corporation. Our HR practices are the purview of our board of directors. Any changes to our salary compensation scheme are under their purview.

Mrs. Tracy Gray: Great. Thank you.

Have you started your own internal review, then, on the bonus structure of CMHC and its employees?

Ms. Romy Bowers: Like many companies, we review our pay and salary structure on an annual basis. We do this to ensure that the pay is appropriate based on market conditions.

Mrs. Tracy Gray: Okay. Thank you.

Over the past eight years, only 12 new homes have been built on federal lands where CMHC was expecting to build 672. Is that correct?

Ms. Romy Bowers: I'm sorry. I don't recognize those numbers. We have an initiative called the federal lands initiative, a \$200-million investment over 10 years to create 4,000 units. We've allocated about \$169 million of the \$200 million. Currently, we've committed to almost 4,000 units.

I'm not clear on where your numbers are coming from with regard to this.

Mrs. Tracy Gray: That was testimony that came through another committee—at the Senate, actually.

For my next question, housing starts are down year over year, are they not?

Ms. Romy Bowers: Yes, they are.

Mrs. Tracy Gray: What is that percentage?

Ms. Romy Bowers: I don't know the exact percentage, but usually we have between 200,000 and 250,000. I think there has been a decrease of about 15,000 since last year.

Mrs. Tracy Gray: Thank you.

With CMHC bonuses continuing to go up.... We know there were approximately \$20 million in bonuses in 2020, \$25 million in 2021 and \$27 million in 2022. When we're considering that housing starts are down, food bank usage is up, and people are living in tents, in RVs and in parking lots, would you consider these CMHC bonus levels appropriate?

Ms. Romy Bowers: CMHC bonuses, or incentive pay, are based on the individual performance targets of various employees.

CMHC runs a commercial business that generates close to \$2 billion in income for the federal government annually. We manage a balance sheet of close to \$30 billion. I employ a large number of professionals who—

Mrs. Tracy Gray: Thank you. I think you've answered that.

During CMHC's appearance on February 17, 2023, I asked for CMHC to table board minutes from January 1, 2016, to December 31, 2022, with this committee. One of your officials responded that it would be done.

Are you tabling those minutes today?

Ms. Romy Bowers: I actually don't know if I'm tabling them today, but if you have not received them, I will look into why that's the case, if that's the question.

Mrs. Tracy Gray: Can you commit to a date when those minutes would be tabled?

This request came in more than eight months ago, and an official did let this committee know that those documents would be forthcoming. That was in writing after the meeting as well.

Ms. Romy Bowers: Chair, I will look into this as soon as I finish this meeting and get to the bottom of why they have not been provided.

Mrs. Tracy Gray: Thank you very much.

To put this into context, I had asked for the copies of these CMHC board minutes over my concern with CMHC board governance, potential board conflicts of interest, and when and if board members recuse themselves of decisions.

Specifically, I'd mentioned one of your board members at the time who was a CEO of a housing organization that received CMHC funding. There was a funding announcement around this with media attention. Liberal MPs and even the current Liberal finance minister were in attendance, so this is an important issue and I would expect that these documents will come to the committee soon.

• (1145)

Ms. Romy Bowers: I fully understand and I will get the minutes to you as quickly as I can.

Mrs. Tracy Gray: Thank you.

If the proposed merger between RBC and HSBC is approved, resulting in less competition in the mortgage market, would you expect the number of Canadians seeking alternative loans to increase?

Ms. Romy Bowers: CMHC has done no work on this area. I cannot comment on that at all, unfortunately. My apologies.

The Chair: Thank you, Mrs. Gray.

Mr. Collins, go ahead for five minutes.

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

Welcome to our witnesses today.

I had the opportunity over the weekend to attend the Ontario Non-Profit Housing Association conference in Toronto. Ms. Bowers, I know you were there speaking to many of those in the sector. One issue that came up was the relationship between housing and transit.

I had the opportunity to speak to Mark Richardson from HousingNowTO. He talked about the provincial government's advertisement of lands along the Ontario Line, for which they've recently put out a request for proposals to the development community for two 25-storey towers at one of the transit stops. Mark is a transit advocate, of course. He highlighted the fact that there was no requirement for affordable housing. He raises a good point.

The federal government is a partner in this space in terms of providing infrastructure to the provinces for higher-order transit, which is one of the goals and objectives of the housing accelerator fund. I think we've been pretty successful at that, but we're dealing with a situation of a provincial government that doesn't have the same priorities as our government in terms of looking for additional affordable housing support.

Ms. Bowers, you talked about growing the sector by almost doubling the number of social or affordable housing units we have in the sector. In order to do that, how do we leverage our infrastructure support to the provinces—in this case, the Province of Ontario—to ensure that its goals align with ours on the housing file?

Right now, that's not happening. What needs to happen from a legislative perspective to ensure that this is the case?

Ms. Kelly Gillis: Thank you, Chair, for the question.

When we look at all of Infrastructure Canada's future programming, since the change in bringing homelessness and CMHC within the portfolio—and this was announced in both budget 2022 and budget 2023—our permanent public transit program, which will be launched and starts flowing funds in 2026, will have a requirement and conditionality with affordable housing.

That said, on Ontario Line, there are discussions. There was a term sheet signed in 2019 regarding affordable housing. We do not have a contribution agreement signed, and there are active discussions with both the municipality and the province on what affordable housing would be brought to bear regarding the four subway lines.

That need to link infrastructure and affordable housing is really important in everything we do from a community perspective. As we look at the next generation of infrastructure programs, that will be a requirement in all of our programming, not just transit. There will also be requirements for housing in the Canada Community-Building Fund, which is being renewed as of April 1, 2024.

Mr. Chad Collins: That's great to hear.

Ms. Bowers, you talked about seed funding earlier. I have a lot of organizations that have obviously successfully applied to the national housing strategy for seed funding. That helps organizations that don't have a lot of capacity in terms of staff or resources to undertake the due diligence required in order to receive funding with some of the other programs that we offer under the national housing strategy. I think my friend and colleague, Mr. Van Bynen, mentioned that earlier in terms of the challenges that small organizations face.

Seed funding is important, but you also talked about growing the capacity within the non-profit sector. We need a doubling of units, which you referenced earlier. I know that many of the non-profit organizations in Hamilton have active applications: Indwell, City-Housing Hamilton, Good Shepherd, Mission Services, and the list goes on. They are doing their part and are doing good things with the resources we provide, but if I were to say to them today that we need them to do twice as much, I think they would all look around the table and say that it's not possible, in terms of the size of their organizations and maybe even some of the development expertise they lack in order to make that happen.

What is CMHC doing in terms of trying to grow capacity within the sector to get at the doubling of those units that you referenced that needs to happen by 2030?

• (1150)

Ms. Romy Bowers: We have a very dedicated group of people at CMHC who are familiar with the real estate development process. We are not a capacity-building organization but an underwriting organization, but to the extent that we have time and resources, we are working with smaller non-profits to help them through the real estate development cycle.

I don't want to call it matchmaking, but we try to sometimes link larger non-profits to smaller ones or even non-profits with for-profit partners who are willing to provide support to the non-profit sector in a pro bono or support capacity.

When I look at international examples, I do think there has been a concerted effort by other countries—for example the U.K.—to increase the capacity of the non-profit sector, but it's not something that happens overnight. I think it's something that we need to be focused on over a number of years to make sure this happens, because the non-profit sector plays such an invaluable part of provid-

ing housing for vulnerable Canadians, and we need to provide them with greater support.

The Chair: Thank you, Mr. Collins.

[Translation]

Ms. Chabot for two and a half minutes.

Ms. Louise Chabot: Thank you.

I want to come back to the issue of non-profit organizations.

I was talking about potential ways to maintain that affordability. CMHC has already considered creating an acquisition fund to allow non-profit organizations to take housing off the private market and ensure they remain that way.

What would be the benefit of such a fund? Has this always been something you've been considering?

[English]

Ms. Romy Bowers: Currently there is no acquisition fund at CMHC. It's something that is not part of the national housing strategy programs, but definitely, if a decision is made in future years to include it, CMHC would be in a position to be able to implement it.

[Translation]

Ms. Louise Chabot: Could you see a benefit to creating such a fund, given the situation that has existed for a number of weeks and even years now?

[English]

Ms. Romy Bowers: We have, in Canada as a whole, four million apartment units. Two million of these are condos that are rented out and two million are purpose-built rentals that are aging. It's this aging stock that provides the most affordable housing for Canadians. The purpose of the acquisition fund would be to purchase those aging units and transfer them from the for-profit sector to the non-profit sector. That's the goal. It requires a significant amount of capital. The Province of B.C., for example, has started to do this.

It is something that could be done in the short term to increase the supply of non-profit housing.

[Translation]

Ms. Louise Chabot: A colleague talked about the following problem when the minister appeared. Since Ottawa and Quebec haven't reached an agreement on how much needs to be invested, several thousand apartments in Quebec are boarded up and awaiting renovation.

Is it true that CMHC is stopping payment because it refuses to assume the costs, which continue to increase? Already, thousands of apartments could be made available in Quebec alone by July, if an agreement could be reached.

What is holding up this file?

[English]

Ms. Romy Bowers: The national housing co-investment fund, which is one of our flagship financing programs, has a stream for renovation and repairs. The target for the fund is to repair 260,000 units of aging housing stock. To date, we have committed funding to repair 130,000 units.

Unfortunately, I don't have the breakdown for Quebec, but it's part of the program that has been very successful. We're very happy to be supporting the preservation of this aging housing stock.

[Translation]

The Chair: Thank you, Ms. Bowers.

Thank you, Ms. Chabot.

[English]

We'll have Madame Zarrillo for two and a half minutes.

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

I'm going to revisit the comments, Ms. Bowers, on the acquisition fund.

This is something the NDP has been calling for, and for quite a while. My colleague Jenny Kwan has been asking for it.

Is that a recommendation CMHC would put forward, or even Infrastructure Canada, to the government—create an acquisition fund to get some of these affordable rentals into public hands?

• (1155)

Ms. Romy Bowers: Thank you very much for the question.

I feel it is one tool that could be used to preserve existing housing stock. My position is always that it's good to preserve existing housing stock.

However, as I mentioned, we need to increase the number of social housing units. I think we need to combine an acquisition fund with continued investment in the creation of new stock in order to expand the social housing stock that exists in the country.

Ms. Bonita Zarrillo: I'm hoping there will be some standard of maintenance requirements for folks who take on that new stock.

I'm going to my last question, because I don't have much time.

Between 2006 and 2015, Conservatives lost 800,000 affordable homes. Under the Liberals, loss continued at a rate of 15 units to one—that's 15 lost affordable units for every new unit built.

My question, Ms. Bowers, is this: Why have we lost so much affordable housing?

Ms. Romy Bowers: This is a complex question, and it's hard to answer in one minute.

I would say the lack of housing supply together with the mismatch between the high demand for housing and the low supply creation abilities of the country have made existing housing stock a very valuable asset. In a market system like ours, when there is a supply shortage, it makes the price of existing assets much higher and more valuable. There's been a lot of profit motive for for-profit

companies to purchase these units and renovate them. I think that's what has resulted in the loss of this housing stock.

I would like to note that from our perspective, the solution is to expand housing stock in general. I feel that unless you do that, you're not going to stop the erosion of the deeply affordable housing stock.

Ms. Bonita Zarrillo: Thank you, Ms. Bowers.

It goes back to my earlier question: The Government of Canada needs to know how many empty homes are out there in Canada. They need to know that number. I agree that we need more supply in the affordable housing space. We also need to know how many are sitting empty, because we do not have the time to build every unit. We may be able to find some that we can use as a government now. The urgency is intense.

The Chair: Thank you, Ms. Zarrillo.

Next 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.

Ms. Bowers, how many mortgages do you believe will default in the next 24 months?

Ms. Romy Bowers: I can only speak about the mortgages on CMHC's books. We are a mortgage insurer. We have a pretty good sense of the state of the mortgage market by monitoring our balance sheet. We're very conscious of the impact that high interest rates are having on Canadians.

Right now, we are looking at the highest-risk mortgages in our book. It's about 2% of our mortgage book. About 6,000 households are impacted. We feel they're at the greatest exposure for loss, but we don't think there will be defaults unless there is a large spike in unemployment. Our arrears are at historic lows. As long as the employment picture is strong, we do not anticipate defaults.

Ms. Michelle Ferreri: Thank you, Ms. Bowers.

How many mortgages does CMHC hold?

Ms. Romy Bowers: Actually, I have that information for you, and I will provide it to you.

Ms. Michelle Ferreri: That's great.

You were here December 5, 2022. I asked you then the same question, and you had said that the arrears, or missed mortgage payments, were less than 0.5% at that time.

What is it now?

Ms. Romy Bowers: It has actually declined. It's 0.25%. It's very low, partly because house prices continue to increase in some markets. People have more equity. The employment picture for homeowners, at least, is very strong.

Ms. Michelle Ferreri: Thank you very much for that.

Ms. Bowers, you are at the CMHC, which is a Crown corporation. This means you answer to the minister. You are a government organization. You are run by the government, the Liberals.

How often is the Minister of Housing communicating with you on the projections of the interest rates of default mortgages and of the housing crisis that we're in?

• (1200)

Ms. Romy Bowers: I'd like to point out that the CMHC is an independent arm's-length Crown corporation. I actually report to a board of directors and a board chair on a regular basis. We meet with the board eight times a year.

We provide regular snapshots of the state of the mortgage market, including such things as arrears. We also discuss any concerns we have about our mortgage book, the results of our stress testing and other risk management practices.

Ms. Michelle Ferreri: Is the minister never directly giving you directives on the housing situation or what the expectation is in terms of managing housing?

Ms. Romy Bowers: We actually have a team that provides an analysis of the housing market, so we provide briefings to the minister through Infrastructure Canada on a regular basis, if that's the question you're asking.

Ms. Michelle Ferreri: It says the Crown corporation is “governed by a Board and responsible to Parliament through a Minister”, so your goal is ensuring that everyone living in Canada has a place to call home. I'm a bit confused. I would think you do have to be accountable to the minister, then.

Ms. Kelly Gillis: Perhaps I can help to provide some clarity—

Ms. Michelle Ferreri: Sorry, I will get it tabled. It's fine, because I have such limited time with CMHC. I know your infrastructure, Ms. Gillis.

I have one last question. I'm tight on my time here.

CMHC has a guideline. If you don't mind, Ms. Bowers, could you read into the record the expected or projected percentage people should be spending on their housing?

Ms. Romy Bowers: We believe that in order for people not to be in core housing need, they should not be spending more than 30% of household income.

Ms. Michelle Ferreri: Can you tell this committee the percentage of Canadians who use CMHC who are spending just 30% on their housing?

Ms. Romy Bowers: I don't have that information handy, but I can certainly provide it for you.

Ms. Michelle Ferreri: If you could table that with the committee, it would be very helpful.

A recent survey by RateFilter found that 62% of Canadians exceed the CMHC recommended guideline and are using 41% of their pre-tax income. What is CMHC doing to help bring down that cost, because that is obviously not sustainable for Canadians?

Ms. Romy Bowers: We are very acutely aware of the affordability challenges that Canadians face and we address this issue from a number of perspectives. We provide low-cost financing to reduce

the cost of housing construction. We also have done numerous studies on the need to increase housing supply for there to be a better balance between housing demand and housing supply. We believe that ultimately that's the best way to address housing affordability in Canada.

The Chair: Thank you, Ms. Ferreri.

Mr. Long, you have five minutes.

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

Good afternoon to my colleagues.

Ms. Bowers and everyone else, thank you for coming.

I have a comment first. I want to compliment you on the Reaching Home program. I think it's a wonderful program. I know that in my riding the Human Development Council administers the program in New Brunswick. Certainly they, and most of the non-profits, really appreciate how impactful that program is and how it's helping with respect to homelessness.

Also, I actually met with a developer this weekend, and he was saying two of his biggest line items are the GST and interest. Obviously, our government now has eliminated the GST on new builds for affordable housing. Are you able to comment on the uptake you're getting from provinces to match that?

Ms. Kelly Gillis: Since that particular announcement was made, I have talked with stakeholders, including the Ontario Home Builders Association, whom I met with recently, and they have said it has changed the equation in making the math work. We do anticipate a number of developments that didn't pencil before to be able to now move forward. There has been quite a lot of enthusiasm on the way that this particular initiative is changing the math to make things work.

Mr. Wayne Long: I'm in New Brunswick. Obviously our premier, Premier Higgs, has decided not to pick up his side of it. Are you getting co-operation from other provinces? Are you able to comment on that?

• (1205)

Ms. Romy Bowers: B.C. has indicated support, and so has the Province of Newfoundland. There's been some indication of support from Ontario, but I have not seen any definitive decisions on that. We anticipate to hear back from the other provinces as time passes.

From CMHC's perspective, there have been a number of projects that were on the sidelines that have now penciled, to use the construction terminology, and I think lifting the GST has had a positive impact with respect to that.

Mr. Wayne Long: Thank you.

With respect to the accelerator fund, I think that London, Hamilton, Brampton, Halifax, Kelowna.... My colleague to the right here is quite pleased with that, but I'm not. I'm in Saint John, New Brunswick, and I recently have been made aware that another city in our province, Moncton, would be in another tier of cities that have been selected. I'm just wondering if you can elaborate on how Moncton was chosen, and what criteria are being used for that second tier.

Thank you.

Ms. Romy Bowers: I'm not sure if there's a second tier. The same criteria are being used for all municipalities. I think for larger municipalities there is a higher standard that has to be met, given the complexity of the housing. I think they need seven reforms instead of five.

In terms of the selection process, we have almost like a drop-down menu of reforms we think will be most impactful in spurring housing construction. We work with each municipality to choose which of those reforms are most appropriate for them. Most importantly, CMHC has a historical database of housing starts for that municipality. We work with the municipality and really have a discussion as to an ambitious target with respect to exceeding historical housing starts and if these municipal changes and transformations can actually result in the increase in supply we want.

Mr. Wayne Long: Thank you for that.

Also, with respect to the rapid housing initiative—which is a wonderful program that's been rolled right across the country—I'm wondering if there is an opportunity to see how projects have been evaluated versus other projects in each of our particular ridings.

Ms. Romy Bowers: Yes, absolutely.

Mr. Wayne Long: Are we able to see that?

Ms. Romy Bowers: If you require more detailed information about the assessment criteria, I would be very happy to provide it. I think it's available on our website at a very high level, but if you have any specific questions, I'm very happy to provide the information.

Mr. Wayne Long: Okay, thank you.

When you were here last time, we talked about culture and how a lot of change has to come from within. We certainly recognize that you have a large mandate or a large responsibility to roll out money for affordable housing. I know it's a daunting task and I know the challenges are great, but we also talked about internal processes.

Are you able to tell the committee about any measures you've taken to streamline and refine processes to ensure affordable housing projects do move forward in a timely and efficient manner?

Ms. Romy Bowers: Yes. We have a continuous improvement process in terms of having better communication lines with the proponents, setting expectations in advance, reducing the number of documents that are required and being very clear about the other funders who need to be part of the equation.

Through better communication, we hope to provide better service. We're constantly surveying our clients to identify pain points and we try to resolve them on a priority basis.

Mr. Wayne Long: Thank you.

The Chair: Thank you, Mr. Long.

Mr. Chambers, you have five minutes.

Mr. Adam Chambers (Simcoe North, CPC): Thank you very much, Mr. Chair.

Ms. Bowers, congratulations on your new appointment. That's exciting. The IMF is a great organization. I'm sure you'll enjoy it.

In September of 2021, CMHC's net exposure was about \$609 billion. Two years later, the taxpayer net exposure of CMHC is \$623 billion. Can you explain the increase? Is that driven by the value of house prices going up, the number of clients, the market share increase...?

Ms. Romy Bowers: Unfortunately, our market share has not been increasing that rapidly, so that's not the source of the increase.

The biggest source of increase has been that CMHC has been making a concerted effort to provide more insurance for purpose-built rental housing. We've seen a pullback from some of the banks in conventional lending. CMHC's volume in multi-unit mortgage insurance has increased significantly. That's really the main driver for the increase.

• (1210)

Mr. Adam Chambers: Thank you.

In 2021 the capital on hand was \$13.2 billion. What capital on hand do you have today at CMHC?

Ms. Romy Bowers: Actually, I don't have that number on me. I can provide that to you after the fact, if that's okay.

Mr. Adam Chambers: Okay.

I guess the question is that in a market where there's concern about overvaluation in the housing market, the overheated housing market, and taxpayer exposures going up, CMHC keeps capital on hand. In the early eighties, actually, taxpayers had to put money into CMHC.

You mentioned to my colleague that as long as unemployment remains low, you feel confident about people's ability to pay. Is there an unemployment level where you would begin to get concerned?

Ms. Romy Bowers: I'm a risk manager by profession, so this is something I think about every day at CMHC.

We're very aware of the fact that we have to run our business with due regard for loss. We conduct stress testing on a regular basis to make sure that there is no loss that has to be borne by Canadian taxpayers. Our stress testing, which assumes almost a doubling of the unemployment rate, would still ensure that we have enough capital to withstand those losses.

Again, I want to state that this is a stress test. It's a hypothetical scenario. We do stress testing on a regular basis. In this area, we feel that we need to be very conservative and actually assume the worst so that taxpayers are protected.

Mr. Adam Chambers: Okay. Thank you.

What is CMHC's view on how much additional cost will be imposed by NRCan and the National Research Council's new building code?

Ms. Romy Bowers: We are actually doing a study on this, because it could have an impact on the costing for the projects that we finance. Unfortunately, this work is still in progress. We should have some results of our assessment by the end of the year.

Mr. Adam Chambers: Could I ask that those results be tabled with the committee? Perhaps, since you may be transitioning, we can have that followed up.

That National Building Code proposal has been around for three or four years. You would think that the organization that's in charge of managing or at least looking at affordability would have a view on how much this cost would add per unit, which is ultimately borne by the developer up front, of course, and then eventually the purchaser. Some studies suggest that it's \$30,000 to \$50,000 a unit. It would be very helpful for the committee to have CMHC's view on that piece of information.

As well, there seems to be a bit of an execution issue. In my last 30 seconds, I'll leave you with an example. A regional government replied under the RHI, the rapid housing initiative, to increase the number of units by renovating existing units that they already owned, but they were adding doors. They were turned down, even though the doors cost only \$150,000 a door. They were turned down because they didn't exactly fit the rigid scope of RHI.

I think we need to look better at our ability to execute and think outside the box. Other levels of government, by the way, count that in their funding programs. We missed out on an opportunity to very cheaply add new doors in some communities across our region.

Thank you.

The Chair: Please give a short answer, Ms. Bowers.

Ms. Romy Bowers: I appreciate that feedback from Mr. Chambers. That's the kind of feedback that's very valuable for us, so we'll take that.... I don't know about the specific project he's referring to, but it's very valuable to have this information so that we can continue to improve our programs going forward, so thank you, Mr. Chambers.

The Chair: Could you provide a written response to the committee when you have had a chance to analyze the information?

Ms. Romy Bowers: I can, with respect to the building code, yes.

The Chair: Thank you.

Mr. Fragiskatos, you have the floor for five minutes.

Mr. Peter Fragiskatos (London North Centre, Lib.): Thank you, Chair.

Thank you to all of you for being here today.

Ms. Bowers, at the beginning of your presentation, you talked about supply and how supply is really underpinning the housing crisis before us. Regarding the waiving of GST on the construction of apartments, what is that expected to do in terms of adding to the number of units across the country? Do you have figures on that?

• (1215)

Ms. Romy Bowers: These are early days, so we don't have estimates.

I live in Toronto, and some of the developers I talk to on a regular basis have said that it's reduced per-unit costs by up to \$50,000, so we think there's going to be a significant impact.

Mr. Peter Fragiskatos: I did see that Dream Unlimited, a very large builder based in Toronto, said that the measure alone would help them add 5,000 units, just that company alone. That speaks volumes.

You also mentioned the importance of adding rental units to supply. Why do you emphasize that?

Ms. Romy Bowers: I mentioned the fact that we have four million rental units. Two million are old units built in the 1960s and 1970s. Two million are new condos that are owned by private individuals and rented out. I really believe that purpose-built rentals provide security of tenure and are the most appropriate form of housing for the 30% of Canadians who are renters.

I really appreciate the condos as rental stock, but given that we're a growing population and that we welcome newcomers who are initially renters, I feel that there is a need to expand the stock. There hasn't been a significant expansion since the 1970s. There's been some uptick in recent years, but I think we need to continue with investments in this area.

Mr. Peter Fragiskatos: Shifting focus now to the accelerator funds, for the everyday person watching at home, you talk about impediments to building on the local level and how the accelerator fund is meant to incent changes at the municipal level.

What sort of impediments are you talking about? Could you get into some of the specifics of exclusionary zoning and how that impacts supply or the lack thereof?

Ms. Romy Bowers: Yes, and maybe I can tell a story.

I live in the west end of Toronto. For many years, it was not legal to build laneway houses in Toronto. It was very difficult, because of very restrictive municipal regulations. It's possible, by changing these rules, to create rental units very quickly by using existing infrastructure. That's one example of changes that could be incented by the accelerator fund.

Some municipalities have embraced laneway housing and other forms of housing, but other municipalities have not. I think there's a huge opportunity for all municipalities in Canada to adopt progressive practices like this.

Mr. Peter Fragiskatos: I want to ask you about the recent CMHC report on housing starts. Where are we overall in the country in terms of the numbers?

Ms. Romy Bowers: Housing starts tend to be, as I mentioned, between 200,000 and 250,000 units. I don't have the most recent number off the top of my head, but it's still above 200,000 units. We feel that housing starts are still holding up, despite the very challenging environment. They have come down, but we feel that there is some optimism in that they haven't decreased as much as we had thought. We feel that some of the changes that have been made recently with respect to the GST should provide further support to the sector.

As I mentioned earlier, much more needs to be done. We need to basically double our housing starts, so we need to work as a country to figure out what the impediments are and act together to really break them down.

Mr. Peter Fragiskatos: I have less than a minute left, and I didn't want to let the opportunity pass on homelessness.

With the national housing strategy, how many individuals have been taken off the street? How many individuals who were homeless are now housed as a result of programs that are available through the national housing strategy?

Ms. Kelly Gillis: When we look at the first three years of Reaching Home, we see that over 70,000 people were placed in more stable homes. When we look at a year out, we see that three-quarters of them are still in stable homes, so it's working.

We have 122,000 people who were prevented from being homeless. We have 30,000 people who were given income assistance. We have 7,400 people who were given job training to give them a more sustainable lifestyle going forward. We have 11,500 people who were given new paid employment; 7,100 people who were given education programs, again, to change their forward trajectories; and 27,000 people who were given temporary accommodations during the COVID period of time. We created 222,000 temporary spaces during the COVID period of time to keep people safe from the health effects of the pandemic.

That was just in the first three years of the program. We're in the fourth year now, and we've created a new online system so that our shelter capacity can report that information much more efficiently. We'll be reporting and making that information transparent once this fiscal year completes.

• (1220)

Mr. Peter Fragiskatos: Thank you.

The Chair: Thank you, Mr. Fragiskatos.

[Translation]

Ms. Chabot for two and a half minutes.

Ms. Louise Chabot: Ms. Bowers, with all due respect to the minister and to you as the CMHC program administrator, I feel like we're rolling along and that nothing will really change the current housing crisis. I fear that, in six months, we'll be back here and nothing will have changed.

As you indicated, the national housing strategy is an \$82 billion plan, funded by taxpayers. Its goal should be to reduce the pressure on individuals seeking affordable or social housing.

I won't ask you to comment on the government's decision regarding the goods and services tax (GST). The GST exemption can incentivize housing construction, but there's no guarantee for renters that rents will drop. A lot of housing will need to be built before rents go down.

I'll ask the question I asked earlier again. There are existing measures that could be implemented now. CMHC boast about the benefits of the national housing co-investment fund. However, in Quebec, thousands of low-income housing units, which are subject to a bilateral agreement between Quebec and Ottawa, are boarded up because CMHC is refusing to emit payment, because the amount exceeds the initial renovation costs.

Is that correct?

[English]

Ms. Romy Bowers: Mr. Chair, I can't speak to individual projects or individual applications, but if Madame Chabot would give me an indication of the applications that are stuck in the CMHC pipeline, I would be very happy to look into those.

All of our programs are oversubscribed, and we are well past the 50% point in committing the funding that's been allocated to us. We have a substantial amount of repair funding that could be allocated for repairs in Quebec, and I'd be very happy to discuss any projects that she may be concerned about.

[Translation]

Ms. Louise Chabot: We'll give you more details and we'll expect an answer. It makes no sense. Measures could be taken now.

Ms. Gillis, Reaching Home: Canada's homelessness strategy must be continued. It seems that there are ongoing negotiations with Quebec on that subject.

Could you update us on the status of those talks?

Ms. Kelly Gillis: Thank you for the question.

We're in serious discussions with Quebec on that subject. I think that we've made a lot of progress in terms of granting funds under the program for the next two years. I am certain that we'll reach an agreement with Quebec shortly.

[English]

The Chair: Thank you, Madame Chabot.

We now have Ms. Zarrillo for two and a half minutes.

Ms. Bonita Zarrillo: Mr. Chair, is that me?

The Chair: That is you, Ms. Zarrillo.

Ms. Bonita Zarrillo: Thank you so much. My comments are for Ms. Bowers.

Ms. Bowers, the last time you were here, I did take issue with REITs being funded through CMHC. I just wanted to read something from RioCan, an article:

“The cheapest debt in town is CMHC-guaranteed debt, which you can put on rental residential buildings, so we're quite hopeful that our first CMHC transaction will take place before the end of the summer.”

said the CEO from RioCan.

Over the next few years, the company may boost financing with CMHC-guaranteed loans by as much as \$800 million,

said the CEO.

The financing can be about 80 basis points less than a traditional commercial mortgage, he added.

“Hopefully we'll do a lot of them,” he said. “We intend to replace a lot our commercial debt because it's just a lot cheaper: 80 basis points on \$1 billion is \$8 million a year.”

That may be a boon for unit holders. “When we're saving \$8 million a year, there's \$8 million more to distribute, to invest.”

This is the CEO of RioCan boasting about how the Canadian government's CMHC is making the company's unitholders rich through increasing their dividends. At the same time, rents are rising in many of these REITs. It's clear from the comments of the CEO of RioCan that they don't need CMHC incentives, that they're fully willing to go to traditional commercial lending and that none of the sweetheart rates that they receive are actually flowing down to renters in the market.

Was the goal of CMHC when underwriting with such low interest rates to these REITs that they would redistribute it to their shareholders?

• (1225)

Ms. Romy Bowers: I can't comment specifically on the RioCan situation, but I can tell you that CMHC provides mortgage insurance for purpose-built rental developers, which include REITs, and we feel that it's important to do this because we have a deficit of purpose-built rentals in Canada, and the CMHC insurance that's provided provides a little bit of financial incentive for commercial developers to engage in this space.

It's much more lucrative for these developers to develop condos versus purpose-built rentals, and its for this reason that we provide mortgage insurance to make the financial equation work for those who are willing to provide purpose-built rentals. Its very clear that there has to be a level of profitability that is attractive for the sector for the large amount of capital that we need to grow it.

Having said all this, I am also very sympathetic to the need to have very strong protections so that tenants' rights are protected. This is usually provincial, territorial or municipal jurisdiction, but from the CMHC's perspective, our goal is to provide cheaper financing in order to provide growth in the sector. We're willing to provide premium discounts for affordability and other social targets, but we feel that the companies that we work with are responsible corporate actors and that they're contributing to the housing supply that our country desperately needs.

The Chair: Thank you, Madam Zarrillo.

Just to be clear to the members, until the meeting adjourns at 1:00, we'll follow the routine motion speaking order. That means

it's five minutes, five minutes, two and half minutes and two and a half minutes.

Mr. Aitchison, you have five minutes, please.

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

I'd like to follow up quickly on the multi-unit rentals for a moment.

The MLI Select program is specifically used by multi-unit builders to insure their mortgages. In the spring, CMHC increased that rate by almost 200%. Can you tell me how many applications were received after that announcement and before the new rate went into affect?

Ms. Romy Bowers: In the month of June, which was the peak, we had 5,000 applications in the queue.

Mr. Scott Aitchison: How big is the backlog? How many applications have you actually been able to review?

Ms. Romy Bowers: Just to give you a sense, our applications went from 400 a month to 800, and sometimes over a thousand. We've been able to double our underwriting staff, so we've reduced the backlog from 4,000 to 2,000 and we'll be able to clear the backlog by the end of the year.

Mr. Scott Aitchison: How many underwriting staff do you have now?

Ms. Romy Bowers: We doubled it. We had about 50, so we increased it by 30.

Mr. Scott Aitchison: How many of those projects are no longer viable because of the new rate?

Ms. Romy Bowers: Is that in terms of the premium?

Mr. Scott Aitchison: Yes.

Ms. Romy Bowers: First of all, I'd like to clarify that we increased the premium. We have to run this business on a commercial basis. We had not increased premiums since 2017. There were changes to accounting rules that we have to follow, as well as regulatory capital requirements set by OSFI, so we had to change our pricing so that we achieved minimum commercial returns. That's the reason for the change.

Before we increased the premium, we did extensive consultations with developers, who confirmed to us that of course they didn't want an increase in the premium. However, in terms of impacting the viability of the project, they did not think the premium increase would impact viability and that in fact it was the other product features that were important.

Mr. Scott Aitchison: Thanks for that.

I'd like to move on to Ms. Gillis.

On May 11, 2021, the Government of Canada announced \$10.4 billion for four different public transit projects in Toronto. I'm sure you're completely familiar with them: \$2.2 billion for the Scarborough subway extension, \$1.8 billion for the Eglinton Crosstown West extension, \$2.24 billion for the Yonge North subway extension and \$4 billion towards the new Ontario Line.

Can you tell me how many units have been started or constructed so far on or around the stations on the Scarborough extension line?

• (1230)

Ms. Kelly Gillis: I can look into it with Ontario. We are in active negotiations with Ontario and Toronto. We don't have signed contribution agreements with them just yet on those subway lines. There was a term sheet announced that you're referring to. As they're progressing and as there's further development, we're looking at working with them on contribution agreements and commitments regarding affordable housing.

Mr. Scott Aitchison: That announcement in May 2021 isn't formalized in any agreement yet.

Ms. Kelly Gillis: It's a term sheet that was agreed to and not a formal contribution agreement.

Mr. Scott Aitchison: Okay. As part of the review of that contribution agreement, there are a number of conditions for this money. One of those conditions includes "building affordable housing near transit oriented development as is feasible, in line with City of Toronto objectives, and report publicly on them".

Is that correct?

Ms. Kelly Gillis: Correct.

Mr. Scott Aitchison: Can you give me an example of a situation in which building housing near transit-oriented development not may not be feasible?

Ms. Kelly Gillis: I believe it's the extent to which it would be feasible. In looking at the type of development, it's how much it would be feasible within that particular development to make it financially viable to proceed. That is the discussion between Ontario and Toronto that is active at this time.

Mr. Scott Aitchison: Does Infrastructure Canada have a target or a base number? For example, let's take the Scarborough subway extension. Do you have a sense of how many units you'd like to see for your contribution of \$2.2 billion?

Ms. Kelly Gillis: When we look at our previous programming versus our new programming in our permanent public transit, yes, we will. We're actually consulting on the methodology right now and on what the requirements are. When we used this particular program, it was part of our Investing in Canada program, as well as bridge financing between the Investing in Canada program—

Mr. Scott Aitchison: Just quickly, I'm running out of time. Can you—

Ms. Kelly Gillis: It's a discussion right now. We did not have conditions regarding affordable housing in our previous programming. It's a new element that we've brought to bear, and that's where there are active discussions on what would be possible, given the already advanced development of those particular lines.

The Chair: Thank you, Mr. Aitchison. We'll probably get to another round with you.

We will go to Mr. Fragiskatos or Mr. Collins.

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

Mr. Chad Collins: Thanks, Mr. Chair.

Among the most pressing needs right now in our housing crisis are those living in encampments and how we deal with that very vulnerable population of people who have deep needs in terms addiction support, mental health services and a whole host of other issues from life problems that they're experiencing.

My question would be around Reaching Home, which has done incredible work, as Ms. Gillis pointed out earlier in response to my colleague's question about how many people we've helped enter that program.

I know that many of the service providers in Hamilton, specifically Indwell and others, are providing tremendous transitional housing supports for that very vulnerable population. They're pulling them out of encampments and getting them into transitional housing with supports to ensure that when we find an affordable place for them to live—permanent housing—they're not back in an encampment within a few short weeks or months.

I couple that with some of the programs that we offer under the national housing strategy. The rapid housing initiative is one that caters to a very vulnerable population. The co-investment fund provides that same support to the sector.

I find that there are multiple applications for organizations like Indwell, Mission Services and Wesley. I have a whole host of them in Hamilton that serve the people coming out of encampments, and they're forced to apply through different streams in order to make a project work.

Are there discussions that occur between CMHC and the ministry in terms of how we can streamline those supports so that small organizations—non-profits—are not forced to fill out multiple applications when they're trying to serve some of our most vulnerable Canadians and when they're trying to do that in a very timely way?

• (1235)

Ms. Kelly Gillis: Perhaps I'll start and then I'll turn it to my colleague, Ms. Bowers.

There's very close collaboration between Infrastructure Canada and CMHC on the work of the national housing strategy and some of the work from the co-investment fund that funds shelters.

In the case of encampments, Infrastructure Canada just did a survey of 72 communities across the country to better understand what the issues are. Why are people using encampments? Are there particular barriers within shelters? Is it capacity? Is it because of barriers regarding family, allowing pets or measures regarding addiction and support services? As we look at programs going forward, we can be better informed and work in closer collaboration with our communities.

Certainly one concern right now is shelter capacity. Over COVID, there were permanent reductions of shelter capacity, they are just coming back. Temporary shelters were used.

As we look at different programs, I think that close collaboration between the community entities that are delivering Reaching Home and the opportunities from programming—whether it's from CMHC with the bricks and mortar or from Reaching Home, which provides the wraparound services—really requires that alignment.

That's why we've also created a federal-provincial-territorial working group on supportive housing and homelessness to not just work closely among ourselves but work closely with provinces and municipalities to make sure that all of our levers are being aligned to be most effective.

Mr. Chad Collins: Thank you.

Ms. Bowers, can I ask you about innovation?

You talked about the number of homes that are required, not just in the affordable sector but also in the market sector, to satisfy demand.

Many of the construction methods we use today we've been using for 100 years. My friend and colleague and I had an opportunity to visit the Element5 facility in St. Thomas to see some of the innovative methods they're using to build mass timber projects. I also had the opportunity to tour NRB, which is another modular company that is providing some innovative things. However, they certainly aren't prepared or don't have the capacity to build the number of homes that are required by 2030 or even by 2050.

Can you talk about what CMHC is doing to drive innovation within the sector to ensure that we are able to build, domestically, the amount of supply that's required for Canadians?

Ms. Romy Bowers: This is a critical issue in addressing our housing supply gap. We build 200,000 today and we built 200,000 units in the 1970s when our population was much smaller. Clearly our construction sector is very fragmented, and I think there's room for innovation in this area.

We have a \$750-million innovation fund that has been used to support some of the construction techniques that you mentioned. I think there's more that we can do there. Even through the rapid housing initiative, we provided support to modular housing companies. I think there are more opportunities for scaling up there. There are also areas like panelization and other factory-built techniques.

I do understand that because housing is a very cyclical industry, smaller construction companies do not want to invest the capital needed for the innovation, but I think this is an area where government can play a role in providing some of those incentives to create

that innovation. I think this is an area where private sector and government partnerships are absolutely essential.

Mr. Chad Collins: Thank you.

The Chair: Thank you, Mr. Collins.

We'll go to Madame Ferreri for five minutes.

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

Ms. Bowers, could I get you to table—I don't know if I asked you to do this in the last round—how many mortgages CMHC manages and the default that you projected? I think you said it was 2%, or 6,000 of the mortgages you manage.

Ms. Romy Bowers: Yes. I'm not predicting that 2% will default; I'm just saying that those are the highest-risk mortgages and that we monitor them very closely for default.

Ms. Michelle Ferreri: Okay. Thank you.

I will move on to Ms. Gillis.

In 2017, the Liberal government promised to reduce chronic homelessness by 50%. It's obviously been six years. How much has chronic homelessness been reduced?

Ms. Kelly Gillis: Thank you for the question.

Since that period of time, as we've been talking about the housing crisis, the context in Canada has changed significantly. At this point, chronic homelessness for the last number of years has remained steady at approximately 30,000 people.

• (1240)

Ms. Michelle Ferreri: It hasn't been reduced.

Ms. Kelly Gillis: As I mentioned, it's remained steady, given the context of the country right now with the housing crisis and the affordability issues within the country.

Ms. Michelle Ferreri: In 2022, the Auditor General's report on chronic homelessness said that your ministry did not know whether your efforts were improving homelessness, despite spending \$1.36 billion between 2019 and 2021 through the Reaching Home program.

You have a new Minister of Housing. What direction has the minister given you directly since that Auditor General's report? What specifically has the minister given you?

Ms. Kelly Gillis: Thank you very much for the question.

That particular audit report was done mainly during COVID times. The homeless-serving sector, during that time, did not have the capacity to report results. They were dedicated to saving lives and keeping people safe.

Since that time, all of our reporting has caught up, and the metrics that I gave before for the first three years of the program have been showing tremendous results from the money that has been spent on that particular program.

Of the \$1.3 billion that you mentioned, \$708 million went to dedicated health services to keep people alive, such as nursing, vaccines, masks, social distancing and temporary housing.

That information wasn't available when the Auditor General wrote the report, because we were still in COVID times. Since then, it has all been caught up on and we are publishing the information—

Ms. Michelle Ferreri: Thanks, Ms. Gillis. I'm sorry.

For people watching, we have such limited time, which is why we often have to cut people short.

I would respectfully push back on that response. As somebody who lives in a community whose homelessness has skyrocketed, it feels a bit insulting, to be honest with you, Ms. Gillis, to say that things have had tremendous success.

I'm not finished yet.

I just don't think that's a very compassionate or realistic approach. It feels a bit like toxic positivity, if I'm going to be honest with you.

Moving on, as of Friday, October 27, 2023, funding streams for Reaching Home.... "Reaching Home has 4 regional funding streams that provide funding to communities to address local homelessness needs." The designated communities funding stream is closed. The indigenous homelessness funding stream has no way to apply. The rural and remote homelessness funding stream is closed. The territorial homelessness funding stream has no way to apply.

Ms. Gillis, how do you expect to have such a successful program when people who need this the most can't even apply for it?

Ms. Kelly Gillis: Thank you very much for the question.

In the Reaching Home program, what we want to do is have transparency and results. That's why I wanted to mention the Auditor General's report. Now we can report on the results.

We know that more is required, and that's why we're doing research programs. In the particular program, we allocate the funds to community entities over a period of time. They continue to fund these particular programs.

Regarding those particular applications, I will turn to my colleague to talk about those particular closures and what's going on with regard to each of those streams.

Mr. Kris Johnson (Director General, Homelessness Policy Directorate, Office of Infrastructure of Canada): Because we allocate the money out to community partners, it's really at their discretion when they accept new applications and when they fully allocate all of their funding. Whether there's still funding available in any given area really would vary by community.

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

Again I would push back. Ms. Bowers has talked about this. You have the missing middle right now. You have people who would never have even considered being homeless. The face of homelessness has drastically changed.

You're saying, "These programs are closed right now." It just doesn't make any sense. If these are programs designated for immediate emergency funding and they're closed, how are you supposed to help the people who, less than a mile from where we're sitting right now, are living in tents?

Ms. Kelly Gillis: The allocations are forward looking, so in the \$562 million that we're allocating for the next two years, although they're closed for new entities, we are allocating further money to those community entities to be able to address the homelessness situation in their communities.

That's why, when the minister was here.... We're doing action research. That's why we're doing a veterans program. It's because we know more is required. It is super-important, and I am certainly very acutely aware of how important it is to address this and how more is required. That's why we did a survey on encampments and continue to work in this area.

• (1245)

The Chair: Thank you, Ms. Ferreri.

We have Mr. Fragiskatos for five minutes.

Mr. Peter Fragiskatos: Thank you, Chair.

Ms. Bowers, I'll go back to the issue of supply.

Moving from the general to the specific, I want to ask you about the Canada mortgage bond. What is the Canada mortgage bond? I know it's a very general question, but when people hear things like what recently happened with the changes made to the annual limit, how that relates to housing and what that will do for supply, the pieces might seem a bit fuzzy to them, so could you touch on those things?

Ms. Romy Bowers: I smiled slightly because the Canada mortgage bond relates to our securitization program, and it's not something that most Canadians are aware of, although it's a very important part of our housing finance infrastructure.

We've had a \$40-billion limit in our CMB program for many years—for decades, in fact. This program provides the lowest-cost funding for banks so that they can extend loans to developers for the financing of development projects. Given that there is this huge need for supply, it is very significant for the CMB program limits to be increased by 50%, because it provides much more capacity to our lending institutions that need to provide developers, other private sector actors and non-profits with the lowest-cost funding that is available to support their building needs.

Mr. Peter Fragiskatos: What's the bottom line in terms of the number of units that we would expect to see built as a result of this change? Do you have an estimate on that?

Ms. Romy Bowers: This is very difficult to estimate, given that the market is quite turbulent right now, but I believe that the Department of Finance provided an estimate of 200,000 units over 10 years.

Mr. Peter Fragiskatos: Thank you.

Ms. Gillis, I want to ask you again about the national housing strategy. You talked about how co-operation is part and parcel of the program and how it's built within it. There are wraparound supports for individuals who have experienced homelessness in a way that's made possible by not-for-profit organizations.

What sort of supports are there that are available? Again, I ask this question from the perspective of constituents in my community and other communities who might be looking and then saying that it's one thing to get someone.... You mentioned that close to 70,000 people who were on the street are no longer living homeless and are housed. Someone might look at that at first blush and say, "It's great; they have a roof over their heads", but if they're not given the support that they need to make a transition towards something much more positive, then the problem is simply repeated.

Could you talk about the wraparound supports that are made available through, in effect, the national housing strategy? All this is delivered by not-for-profits on the ground.

Ms. Kelly Gillis: That is a really important area for people in need. Understanding what their needs are is a fundamental part of Reaching Home. There is a mandatory requirement called "coordinated access" that gets down to the individual level of understanding. Is it mental health? Is it addiction services? Are other health services needed? There is administrative support so that the person does not have to go looking within the community to find their support. It's tailor-made for them to be able to get them to medical appointments, addiction services or job training and to help them find a placement in a home. There are regular check-ins. It is very much tailored by the community for the community, so they prioritize based on the needs of the individuals they're serving.

It's an international best practice. It's not just about putting a roof over someone's head; it's about that alignment and integration of the wraparound services that you mentioned that go beyond the person getting somewhere appropriate to live. That gets at the heart of Reaching Home.

Mr. Peter Fragiskatos: Thank you very much.

I think I have 25 seconds, so I'm not going to ask you a question, but you do underline something that's incredibly important.

The various transitions that are required are very complex, to say the least, but the fact that there is a pathway that people can take and that pathways remain available is a promising thing. To my knowledge, this didn't really exist prior to the implementation of the national housing strategy. Is that correct?

• (1250)

Ms. Kelly Gillis: That's correct.

With regard to Reaching Home, we did have a homelessness policy before that, which was Housing First, but that really prioritized housing first, above and beyond the integrated wraparound services.

When we look at international best practices and at working with the Canadian Alliance to End Homelessness and seeing how others have actually had success at homelessness, we see that it's about making sure that communities understand and that they have coordinated access and tailored supports so that those in need can get the services they need within their communities.

Mr. Peter Fragiskatos: I guess I did ask you a question.

Thank you very much.

The Chair: Thank you, Mr. Fragiskatos. Your time is gone.

[*Translation*]

Ms. Chabot for two and a half minutes.

Ms. Louise Chabot: Thank you.

I'll continue with Ms. Gillis and the issue of homelessness.

Ms. Gillis, last July, our committee tabled a report on the national housing strategy. The report makes reference to a goal to reduce chronic homeless by 50%. The committee had asked that a plan on how to achieve that objective be tabled no later than December 2023.

It's somewhat concerning to hear people talk about stability. The goal is to reduce chronic homelessness by 50%; however, five years later, we're still talking only about stability.

What plan do you intend to implement? What recommendation will you make to government? Does it involve additional funding or specific emergency measures? According to the 2022 Census, there were 10,000 visible homeless people just in Quebec.

Our committee asked that a plan be tabled by 2023. Is that plan already in the pipeline?

Ms. Kelly Gillis: Thank you for the question.

It's extremely important to do what needs to be done to help the homeless.

Regarding the actions taken by the government, it's important to note that the housing accelerator fund was doubled. It went from \$4 billion to \$6 billion. Furthermore, the government just launched the veteran homelessness program.

We're consulting the communities to learn what needs haven't yet been met. For example, we've just completed a survey on homeless outside the shelter network. We're looking at all that to determine what the next steps are.

We also created a new committee. We're working with the provinces and territories to learn what measures they're implementing to fight homelessness. We want to see if it's possible to better harmonize the various programs to ensure the best possible results.

A new federal committee was created with my colleagues to harmonize what Health Canada is doing with, for example, that being done by the provinces and territories. We'll look at everything and make recommendations to government.

Ms. Louise Chabot: Committees are great but when will you table an action plan?

Ms. Kelly Gillis: We'll table a plan once we have approval for the various stages, which will be made public.

We're also preparing reports, for example, on the veteran homelessness program.

We'll also make public our followup to the various requests and community consultations.

Ms. Louise Chabot: Fine.

The Chair: Thank you, Ms. Chabot.

[English]

We have Ms. Zarrillo for two and a half minutes.

Ms. Bonita Zarrillo: Thank you, Chair.

My question is for Ms. Gillis and Ms. Bowers.

Rents are disconnected from incomes, and it just can't continue. How can CMHC and Infrastructure Canada ensure that the low-interest savings that are being captured by REITs right now are passed on to renters to keep people in homes, reduce homelessness and focus on lowering rents instead of increasing profits for executives and investors?

Ms. Romy Bowers: One thing I would like to highlight for Madam Zarrillo is that as part of our mortgage insurance product development, we introduced the MLI Select program a year ago. In it, we tied more affordable premiums to social outcomes like affordability. We are constantly retooling our products to make sure all government programs support desirable social outcomes in the housing market.

With respect to rent increases in general, CMHC's position is that it's so important to establish that equilibrium between housing supply and demand and to look for the medium and longer term. That's the best way to assure affordable rents for Canadians.

• (1255)

Ms. Bonita Zarrillo: Thank you.

Go ahead, Ms. Gillis.

Ms. Kelly Gillis: With regard to Infrastructure Canada's future programming, the government has made a commitment to linking the conditionality of our programming to accelerating and increasing supply as well as to affordable housing. We will be looking at having that as our prerequisite for access to infrastructure programming.

Ms. Bonita Zarrillo: Ms. Gillis, to follow up on that, what kind of data is needed? As MPs on the ground who are in the community talking to people, how do we proactively start setting benchmarks and make room to collect the data? What data do we need?

Ms. Kelly Gillis: Thank you very much for the question.

When we're planning infrastructure investments at the community level by looking at housing needs assessment at a granular level, understanding the community demographics, the growth trajectory, where people live and the income levels as we plan out communities is important. Some communities have already required that. Certain communities in the province of B.C. have that requirement.

I think that is a necessity as we look at making sure communities have the information they need to plan accordingly, but we also have to make sure we have aligned investments to meet the community needs now as well as in the future.

Ms. Bonita Zarrillo: Thank you.

Ms. Gillis, there are almost 200 homeless people in my community who will have nowhere to go over the foreseeable future, because we don't see any urgency even today in our questioning and answering. What can we do now to get those people into homes in the next eight weeks?

The Chair: Please give a short answer.

Ms. Kelly Gillis: Working with your community entities and your non-profits.... Certainly we're very active in working with the provinces in the community entities that we fund.

I think there is a sense of urgency and of wanting to work very collaboratively to find solutions for the communities across the country that are dealing with this really important issue.

The Chair: Thank you.

Ms. Bonita Zarrillo: Thank you, Ms. Gillis.

If you could make sure I get some updated contact information of who the representatives are in B.C., that would be greatly appreciated.

The Chair: Thank you, Madam Zarrillo.

I have two minutes. I'm at the hands of the committee. I don't think we can start....

Mr. Scott Aitchison: I have about 12 minutes of questions, but I can get it down to two.

The Chair: Okay, you have less than two minutes, Mr. Aitchison.

Mr. Scott Aitchison: Very quickly, Ms. Gillis, I want to go back to the infrastructure announcements related to transit in Toronto and the Eglinton Crosstown West Extension. I realize there's an analysis going on right now, and part of that analysis will include housing. How much money was committed to what's already being built on the Eglinton Crosstown line?

Ms. Kelly Gillis: I can get you that information. I didn't bring with me the breakdowns between each of the subway lines.

Mr. Scott Aitchison: Okay, that's fine.

I'm wondering if you can tell me, though, if the department or the government has instructed you on a target. How many units do we think we should try to get per billion dollars that we're going to spend on infrastructure for transit?

Ms. Kelly Gillis: In this particular programming, no. This came out in 2019, actually, and goes through 2021, and right now we're looking at the same kind of needs assessment and at understanding the affordability and what's going on and having active conversations with the province and the city to try—

Mr. Scott Aitchison: Is there no discussion of what a minimum target might be?

Ms. Kelly Gillis: In the discussions right now, I think Ontario does have minimum targets across the province. Then we're looking at the stations themselves—the demographics, the needs, the growth. It's very much a data-driven, evidence-based approach and not a hypothetical example.

Mr. Scott Aitchison: Quickly, as part of funding for the western extension of the Eglinton Crosstown, would you consider looking at requiring the city to up-zone around existing stations that are being built now that are surrounded by single-family detached residential units?

Ms. Kelly Gillis: That's a great question. That's actually part of the housing accelerator fund, where we look at zoning requirements

and at allowing “four and four”. There's an agreement with Toronto. Looking at opportunities that this particular agreement provides to change the dynamics within these discussions and future discussions, I think, is super-important.

● (1300)

Mr. Scott Aitchison: That's the carrot, and that's great, but are you considering it as part of the contribution of infrastructure dollars for the next extension as well?

Ms. Kelly Gillis: The infrastructure dollars do not fund housing. The infrastructure dollars fund transit.

Mr. Scott Aitchison: I get that. Would you use it as a criterion on top, though?

Ms. Kelly Gillis: It would certainly be taken into consideration in part of the negotiations.

Mr. Scott Aitchison: Okay, thank you.

The Chair: Thank you, Mr. Aitchison.

Before we adjourn, I will just remind you that the deadline we would like to establish for briefs for the artificial intelligence study is November 22. It would be a Wednesday. This is for written briefs on the next study, which will begin this coming Wednesday. We'll have a short time at the end to do some committee business.

Mr. Michael Coteau (Don Valley East, Lib.): Do you know how many witnesses we have confirmed for Wednesday?

The Chair: We have six. It's a full slate.

With that, thank you, Ms. Bowers. I'm not sure if we'll see you again. If we don't, we wish you all the best with your new position. Congratulations.

Thank you, Ms. Gillis and Mr. Johnson, for your testimony here today.

Thank you, committee members.

The meeting is adjourned.

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