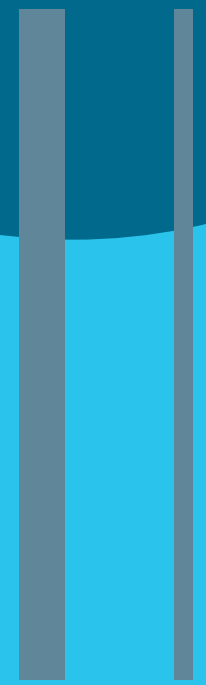




Affordable and inclusive housing: the evolving role of the federal government

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Canada is in a housing crisis *and* at a housing policy crossroads.

We are approaching a federal election – with a likely change in government – **and** the expiry of many federal housing programs.

The last ten years of housing policy has been a story of an evolving federal role in housing.

Looking back on this can tell us how we got to where we are today and what the next ten years might look like.

A brief recent history of federal housing policy

1994 to 2016

Following decades of investment, the federal government limits its role in affordable housing policy and funding. Some funding is provided to provinces and territories, in a patchwork of housing programs.

2023-24

Through the release of Canada's Housing Plan, the federal government re-enters general **housing supply** policy and funding.

2016-2017

Through the release of the National Housing Strategy, the federal government re-enters **affordable housing** policy and funding.

Federal directions: National Housing Strategy

Focus: federal government role in non-market housing

- Targets for reducing chronic homelessness and core housing need
- Priority populations (e.g., people with disabilities, seniors, newcomers)

Funding and implementation approach:

- Mix of programs – community housing renewal, new rental construction, research and innovation, Canada Housing Benefit
- Bilateral agreements with provinces and territories to direct cost-sharing
- 10-year funding window (until 2028) with most funding now spent

Affordable and inclusive housing in the NHS

The NHS uses multiple approaches to develop accessible housing:

- Setting program targets for units committed to priority groups, including for people with developmental disabilities and seniors
- Setting a minimum required proportion of accessible units in funded projects
- Assessing accessibility and availability of on-site supports in project applications

The NHS has faced criticism for its approach to affordability:

- Affordability targets based on market rent or area incomes
- Different targets across programs
- Affordable units only need to maintain affordability for certain length of time

Federal directions: Canada's Housing Plan

Focus: supply, supply, supply – primarily in market housing

Funding and implementation approach:

- Mix of supply-side (i.e., building housing) and demand-side (i.e., owning and renting) initiatives
- Roles across federal government, not just CMHC (e.g., Department of Housing, Infrastructure and Communities, Public Services and Procurement Canada)
- Some cost sharing with provinces and territories
- Expectation to work closely with municipalities, provinces, and territories on policy levers (e.g., building codes, tenant protections)

Federal directions: intergovernmental influence

Recent federal housing policy is placing more emphasis on 1) influencing provincial and local planning and 2) establishing direct federal-municipal funding relationships. Examples of this trend include:

- Rapid Housing Initiative
- Housing Accelerator Fund
- Canada Housing Infrastructure Fund
- Municipal funding for encampments and unsheltered homelessness

Both federal Conservative and Liberal parties are supportive of using this approach, even if they see different policy levers to do so (e.g., unlocking funds with zoning changes vs. financial penalties for holding up development)

Will 2025 be a “housing election”?

Some of the earliest Conservative party platform commitments (e.g. removing more sales tax from new home purchases) are on housing.

We are likely to see more focus on housing in the election campaigns than we have seen in decades



What this means for affordable and inclusive housing

Growing federal interest in increasing housing supply means there is growing recognition of the scale of Canada's housing crisis.

But the shift to a broader focus on supply comes with some risks for housing for those most in need. If this trend continues, we may see:

- Less emphasis on social inclusion goals
- Less willingness to set targets or conditions for specific populations
- Smaller targeted programs for inclusive housing rather than large strategy initiatives

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Noah@springboardpolicy.com

