

Federal budget cuts another \$131 million in housing spending on top of big cuts last year

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The 2012 federal budget, released on Thursday, confirms the ongoing erosion of federal funding for affordable housing. Not only is there no new money on offer, but the budget sets out a total of \$131 million in cuts to Canada Mortgage and Housing Corporation, the federal government's national housing agency, over the next three years – followed by an annual cut of \$102.2 million in subsequent years.

The overall trend for the past two decades has been a rapid downward erosion of federal housing investments, as the federal government stopped funding new affordable homes in 1993 and then announced plans in 1996 to download most federal housing programs to the provinces and territories. The federal government did make short-term housing investments in 2001, 2005 and 2009. Those investments helped to build much-needed new affordable homes, and to repair existing substandard housing, but the federal government terminated most of that spending last year. The federal homelessness program, along with a couple of other smaller housing investments, are scheduled to be terminated in 2014.

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