

## Federal Budget regarding Housing

All Canadians need and deserve housing that is safe, adequate and affordable. Without it, Canadians feel less secure and that makes it harder to accomplish every other goal—from raising healthy children to pursuing education, jobs and opportunity. When affordable housing is in short supply, Canada’s whole economy suffers.

To give Canadians greater access to more affordable housing, [Budget 2016](#) proposes to invest \$2.3 billion over two years, starting in 2016–17. Of this amount, \$2.2 billion reflects the Government’s commitment to invest in social infrastructure, including \$739 million for First Nations, Inuit and northern housing. A significant portion of the \$2.3 billion investment will be allocated to provinces and territories, which can identify communities where the need for affordable housing is greatest. Investing in affordable housing will provide targeted support to those who need it most and create good jobs that help grow Canada’s economy in a clean and sustainable way.

To ensure that these investments are most effective and to help the social housing sector achieve self-reliance, the Government will consult with provinces and territories, Indigenous and other communities, and key stakeholders in the coming year to develop a National Housing Strategy.

<b>Table 2.1</b>			
<b>Affordable Housing Investments</b>			
millions of dollars			
	<b>2016–2017</b>	<b>2017–2018</b>	<b>Total</b>
<b>Doubling the Investment in Affordable Housing Initiative</b>	261.6	242.8	504.4
<b>Increasing Affordable Housing for Seniors</b>	100.3	100.4	200.7
<b>Supporting Energy and Water Efficiency Retrofits and Renovations to Existing Social Housing</b>	500.0	73.9	573.9
<b>Supporting Shelters for Victims of Violence</b>	60.0	29.9	89.9
<b>Tackling Homelessness</b>	57.9	53.9	111.8
<b>Subtotal</b>	<b>979.8</b>	<b>500.9</b>	<b>1,480.7</b>
<b><i>Additional Investments in Housing for First Nations, Inuit and Northern Communities<sup>1</sup></i></b>	<i>356.2</i>	<i>382.8</i>	<i>739.0</i>
<b>Total Investments Funded Through Social Infrastructure Commitment</b>	<b>1,336</b>	<b>883.7</b>	<b>2,219.7</b>
<b><i>Additional Investments to Support the Construction of Affordable Rental Housing<sup>2</sup></i></b>	<i>13.1</i>	<i>72.6</i>	<i>85.7</i>
<b>Grand Total</b>	<b>1,349.1</b>	<b>956.3</b>	<b>2,305.4</b>

<sup>1</sup> Includes funding for renovation and construction of new shelters on reserve. An additional \$3.4 million would be provided for shelters on reserve in 2018–19, bringing total investments for housing in First Nations, Inuit and northern communities to \$742.4 million over three years, starting in 2016–17. See Chapter 3—A Better Future for Indigenous Peoples.

<sup>2</sup> Funding for the construction of affordable rental housing will continue beyond 2017–18. Additional funding of \$122.6 million over three years, starting in 2017–18, would be provided, bringing total investments to \$208.3 million over five years. Funding for this measure is over and above investments in affordable housing under the Government’s social infrastructure commitment.

## **Doubling the Investment in Affordable Housing Initiative**

In response to the persistent, high demand for affordable housing across the country, Budget 2016 proposes to double current federal funding under the Investment in Affordable Housing initiative. Under this initiative, provinces and territories match federal investments and have the flexibility to design and deliver programs that are tailored to address local housing needs and pressures.

To support the construction of new affordable housing units, the renovation and repair of existing affordable housing, measures to support housing affordability such as rent supplements, and measures to foster safe, independent living, the Government will invest \$504.4 million over two years, starting in 2016–17. This increased support is expected to benefit more than 100,000 Canadian households.

## **Increasing Affordable Housing for Seniors**

Canada's senior population is growing, and many seniors now find it difficult to afford housing that is suitable, or that allows them to easily stay in their homes as long as possible.

Budget 2016 proposes to provide \$200.7 million over two years, starting in 2016–17, to support the construction, repair and adaption of affordable housing for seniors. While funding will be provided under the Investment in Affordable Housing initiative, provinces and territories will not be required to cost-match these investments. This investment is expected to help improve housing conditions for more than 5,000 low-income senior households.

## **Supporting Energy and Water Efficiency Retrofits and Renovations to Existing Social Housing**

In addition to support provided under the Investment in Affordable Housing initiative, the Government provides ongoing support to 570,000 social housing units across Canada. Many of these units are older, equipped with less efficient energy and water systems and are urgently in need of repairs.

To support these necessary retrofits and renovations, Budget 2016 proposes to provide \$573.9 million over two years, starting in 2016–17. This investment will help address the increasing demand for repairs as social housing units age, and will also improve efficiency and reduce energy use, lowering utility costs and making housing more affordable. By improving water and energy efficiency, this investment will also help the social housing sector contribute to Canada's overall plan to reduce greenhouse gas emissions.

## **Providing Rent Subsidies for Federally Administered Social Housing Providers**

The Government provides support for social housing through long-term operating agreements with social housing providers. As these agreements expire, some federally administered social housing providers may struggle to continue serving low-income households without increasing rental rates. Budget 2016 proposes to reallocate \$30 million over two years, starting in 2016–17, to help these providers maintain rent-geared-to-income for households living in social housing. This additional support would be provided on a time-limited basis until long-term approaches to help the social housing sector achieve self-reliance can be developed through consultations with provinces, territories and stakeholders.

## **Supporting the Construction of Affordable Rental Housing**

Not all Canadians can afford to—or wish to—own their own home. As a result, affordable rental housing is an important part of the housing continuum, providing housing options for many households, including low- and middle-income Canadians, seniors and new immigrants.

To encourage the construction of affordable rental housing, Budget 2016 proposes to invest \$208.3 million over five years, starting in 2016–17, in an Affordable Rental Housing Innovation Fund, to be administered by the Canada Mortgage and Housing Corporation. Funding would be used to test innovative business approaches—such as housing models with a mix of rental and home ownership—to lower the costs and risks of financing affordable rental housing projects. This investment is expected to support the construction of up to 4,000 new affordable housing rental units over five years, and is being made over and above investments in affordable housing under the Government’s social infrastructure commitment.

Going forward, Canada Mortgage and Housing Corporation will also consult with stakeholders on the design of an Affordable Rental Housing Financing Initiative to provide low-cost loans to municipalities and housing developers for the construction of new affordable rental housing projects. Up to \$500 million in loans would be available each year for five years. This initiative would encourage the construction of affordable rental housing by making low-cost capital available to developers during the earliest, most risky phases of development. This initiative could support the construction of more than 10,000 new rental units over five years.

## **Supporting Shelters for Victims of Violence**

No person fleeing domestic violence should be left without a place to turn. To this end, Budget 2016 proposes to provide \$89.9 million over two years, beginning in 2016–17, for the construction and renovation of shelters and transition houses for victims of family violence. While funding will be provided under the Investment in Affordable Housing initiative, provinces and territories will not be required to cost-match these investments. This unprecedented investment is expected to support the construction or renovation of over 3,000 shelter spaces over the next two years.

## **Tackling Homelessness**

Homelessness is a reality for too many Canadians and a challenge for every Canadian community.

To help homeless Canadians find stable housing, Budget 2016 proposes to invest an additional \$111.8 million over two years, starting in 2016–17, in the Homelessness Partnering Strategy. Through this Strategy, the Government provides direct support and funding to communities across Canada for projects to prevent and reduce homelessness, including Housing First initiatives that help homeless Canadians secure stable housing while providing them with support for underlying issues, such as mental health or addiction. This investment will give communities the support they need to help prevent and reduce homelessness, including Housing First activities, better emergency response services, and supports for youth, women fleeing violence, and veterans.