

No guarantee funding for affordable housing will be renewed

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Hundreds of millions of federal dollars for affordable housing are in limbo, causing confusion for tenants and consternation among opposition critics. Human Resources Minister Diane Finley has said funding for affordable housing will not be cut for the coming fiscal year, beyond the scheduled end of stimulus funding. But that commitment has yet to show up in detailed government documents.

Government spending estimates suggest funding for affordable housing will be about \$300 million lower in the coming fiscal year, compared to pre-recession levels -- unless Ottawa moves to fill the gap. "If there's nothing added, then we have a big hole," said John McCallum, the Liberals' housing critic.

Details of the government spending plans for the coming year were published this month and showed several housing programs receiving only a fraction of the funding they used to get in the pre-recession days.

The Affordable Housing Initiative, for one, received \$83.1 million in federal funding in fiscal 2008-2009, but has so far only been allocated \$15.6 million for the coming year.

The Residential Rehabilitation Assistance Program has been given \$37.4 million so far, compared to \$128.3 million in pre-recession funding.

And just \$156.3 million has been earmarked for on-reserve housing programs for First Nations, compared to \$284 million pre-recession.

Unless he sees details for the missing \$300 million in next week's budget, McCallum said he will assume the government is trying to cut spending on housing to help erase the deficit.

Affordable housing has a history of having one-time booms and busts of funding, but the overall trend for federal spending in this area is down, said Michael Shapcott, director of affordable housing at the Wellesley Institute research group. "There has been a serious erosion of federal investment in terms of housing," he said.

Part of the problem right now, he said, is that provincial and federal governments can't agree how the money should be spent. Provincial and federal ministers agreed in 2008 to put an additional \$1.9 billion into housing, over five years. But they could only agree on a spending plan for the first two years. To date, there is no agreement on how the money should be spent, starting next month, for the remaining three years of the program.

Even more worrisome is the fact that the federal government is allowing its operating subsidies for affordable housing to expire, says the Federation of Canadian Municipalities. In the coming fiscal year, another \$20 million will disappear. And by 2020, funding will be \$1 billion lower than in 1996 -- even though the housing stock has fallen into a state of disrepair.

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