
DATE: December 16, 2009

REPORT TITLE: **PROGRESS ON FEDERAL HOUSING FUNDING AGREEMENT WITH PROVINCES**

FROM: Janet Menard, Commissioner of Human Services

OBJECTIVE

This report provides an update on discussions among provincial Housing ministers with the federal Minister of Human Resources about the federal commitment of some \$5 billion over the next five years to assist provinces with social housing, which has potential implications for future projects in Peel.

REPORT HIGHLIGHTS

- Progress on expediting federal funding for social housing was reported by provincial and territorial housing ministers at a meeting December 4th, 2009 with federal Human Resources Minister, Dianne Finlay.
- Increased flexibility will help ensure the availability of some \$5 billion committed by the federal government over the next five years for projects approved, with matched funding from the provinces. This money is part of the stimulus package which must be spent by 2011.
- A key new provision is that provinces with available matching funding can take advantage of federal funds unused by other provinces unable to match their full allocation.
- Several provinces, including Ontario, supported by many housing advocates and the Federation of Canadian Municipalities, advocated unsuccessfully at this meeting for a long term commitment to a national housing strategy.
- Staff will report to Council early in the New Year on future Affordable Housing Program development plans, including new programs that may evolve from these federal-provincial discussions.

DISCUSSION

1. Background

The Federal government has committed some \$5 billion over the next five years in support of social housing initiatives in the provinces. Much of this funding is part of the stimulus funding that must be spent by 2011.

Some had hoped that this federal funding commitment could be leveraged into a longer term national housing strategy. The Region of Peel has been supportive of the Federation of Canadian Municipalities since 2000 and before, in their efforts to establish a national housing strategy, following the devolution of housing in 1994.

December 16, 2009

PROGRESS ON FEDERAL HOUSING FUNDING AGREEMENT WITH PROVINCES

Some movement on the short term funding was accomplished at a meeting of provincial and territorial housing ministers December 4th, 2009 with federal Human Resources Minister Dianne Finlay. However there was clearly no opening from the federal government for a long term commitment to direct involvement in housing.

2. Findings

The housing ministers came out of their December 4th meeting with the Minister of Human Resources indicating that there was progress on expediting federal funding for social housing. In particular, there is now a provision that provinces with available matching funding can take advantage of federal funds unused by other provinces. This allows increased flexibility, and should support an increased financial commitment from the province when the Ontario housing strategy is rolled out in 2010.

The comments from the housing ministers on the December 4th meeting are reported in the Globe and Mail article that comprises Appendix I.

Ontario was among those provinces that advocated unsuccessfully for a long term federal commitment to a national housing strategy. The Federation of Canadian Municipalities also sought to promote this meeting as a forum to resume discussion of such a national strategy. The FCM statement is contained in Appendix II.

3. Proposed Direction

Staff will report to Council early in the New Year on future Affordable Housing Program development plans; will monitor closely the provincial programs and any new initiatives that emerge from the provincial housing strategy; and will inform Council of any new initiatives or opportunities that can be included in Peel's future development plans.

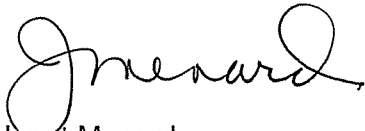
December 16, 2009

PROGRESS ON FEDERAL HOUSING FUNDING AGREEMENT WITH PROVINCES

CONCLUSION

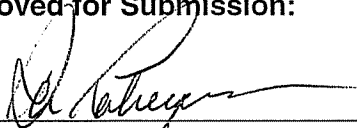
The stimulus funding together with further federal commitments could help boost spending in Ontario on social housing for up to five years. Peel could stand to benefit from this short term funding.

As yet there is no sign of a federal commitment to a long term engagement in a national housing strategy. The federal Minister of Human Resources was quite clear in her public statement: "By no means are we getting back into the housing business."



Janet Menard
Commissioner of Human Services

Approved for Submission:



for D. Szwarc, Chief Administrative Officer

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December 16, 2009

PROGRESS ON FEDERAL HOUSING FUNDING AGREEMENT WITH PROVINCES

APPENDIX I

Globe and Mail Report on the Housing Ministers' Meeting December 4

GLORIA GALLOWAY

OTTAWA — From Saturday's Globe and Mail Published on Saturday, Dec. 05, 2009 12:00AM EST Last updated on Monday, Dec. 07, 2009 3:45AM EST

The federal Conservative government does not think of itself as being in the social housing business.

But, having committed \$5-billion over the next five years to provide shelter to the needy, much of it as part of a massive package designed to stimulate the economy, Ottawa wants to know how provinces think the money should be spent.

Provincial and territorial housing ministers met with Human Resources Minister Diane Finley yesterday morning to talk about the best ways of delivering the cash for social housing which, so far, has merely trickled out the door.

There was no discussion about the national housing initiative that some provinces had requested. But Mrs. Finley did offer flexibility in the way money from her government is delivered.

For instance, Ottawa has said that the money from the stimulus package must be spent by 2011. But provinces and territories that cannot use the funds they have been allotted - something that might happen because they are required to put up matching amounts - may now pass along the excess to another province. The swapping must take place before Dec. 14 and it will be up to the provinces to decide what will be given in return.

Jim Watson, Ontario's Housing Minister, is excited about being able to negotiate extra money from his provincial counterparts. "We can trade with them and get the money into our province," he said coming out of the meeting.

"I think that kind of flexibility is welcome."

Mr. Watson is among those who believe there should be a federal housing initiative and said he was discouraged by an interview that Mrs. Finley gave to The Canadian Press this week in which she said: "By no means are we getting back into the housing business."

But yesterday's meeting - the first of its kind in four years - was very positive, Mr. Watson said, particularly because Mrs. Finley assured her provincial and territorial colleagues that her government remained committed to spending the billions of dollars it had promised.

She did ask them, however, to come up with ideas to improve spending on housing and to report back to her in January.

Yvonne Fritz, Alberta's Minister of Housing and Urban Affairs, said she was pleased that the federal government is willing to be part of the dialogue. "It's really about the collaboration and the communication and the working together."

Advocates for social housing have been deeply disappointed with Ottawa's apparent lack of urgency on the file and with the slow pace of progress at all levels of government.

But some groups expressed optimism after yesterday's meeting.

Nicholas Gazzard, the executive director of the Co-operative Housing Federation of Canada, said he was encouraged that the federal minister had agreed to sit down with her provincial

APPENDIX I

December 16, 2009

- 2 -

PROGRESS ON FEDERAL HOUSING FUNDING AGREEMENT WITH PROVINCES

counterparts and that the ministers came out of their meeting stressing the need for more housing for low-income Canadians.

The test, Mr. Gazzard said, will be whether both levels of government deliver on their commitments in the months ahead.

PROGRESS ON FEDERAL HOUSING FUNDING AGREEMENT WITH PROVINCES

APPENDIX II

Text of the Message to the Housing Ministers from the Federation of Canadian Municipalities

Canada's mayors call for a national plan on affordable housing and homelessness

By Mayor Anne Marie DeCicco-Best, London, Ont., and Mayor Gregor Robertson, Vancouver, B.C.

Co-chairs of the Big City Mayors' Caucus working group on housing
Federation of Canadian Municipalities (FCM)

Though it won't grab many headlines, there is a special event taking place in the nation's capital this week: Canada's housing ministers are meeting.

The meeting marks the first time in over four years that federal, provincial and territorial ministers of housing have come together for a formal discussion. Given the state of the economy, it's no surprise that the ministers are putting the federal government's housing stimulus package at the top of their agenda. But if that's where the conversation stops, it will be a missed opportunity.

For years affordable housing providers – including many municipalities – have struggled to sustain programs with short-term, ad hoc funding assistance from federal, provincial, and territorial governments. One-time funding announcements helped keep the lights on in emergency shelters, but they didn't prevent Canada's housing and homelessness crisis from getting worse.

Cities like London, Toronto and Ottawa continue to struggle to fund affordable housing from the property tax base since it was offloaded on to municipalities during the 1990s. In Vancouver, as Canada prepares to host the world at the 2010 Olympic and Paralympic Winter Games, more than 1,500 people are going to sleep on the streets or in temporary shelters every single night.

To its credit, during the past 12 months, the federal government has put nearly \$4 billion on the table to improve affordable housing and fight homelessness. About half of this money must be spent during the next 18 months as part of the government's job creation program, but the rest is dedicated to programs with a longer-term horizon.

As the country starts its slow climb out of the recession, the number one item on the ministers' agenda should be taking stock of the impact the economic crisis has had on housing affordability and homelessness in Canada. They should also be developing strategies to mitigate its present impact as well as that of future downturns.

And with Ottawa and most of the provinces facing balance sheets awash in red ink, ministers of housing from Saint John's to Victoria will no doubt be under renewed pressure to cut programs, not create or expand them. This meeting should also be an opportunity for the ministers to acknowledge that the lessons from the housing cuts of the 1990s have been learned, and that housing programs will be protected even as their governments work to get their respective finances out of the red.

But most importantly, this week's meeting should be about laying out some milestones that can take the country towards a long-term national plan within the next few years. It should also be

PROGRESS ON FEDERAL HOUSING FUNDING AGREEMENT WITH PROVINCES

about forging a firm commitment, particularly during times of budget cutting, to housing affordability among all governments.

When Canada's housing ministers last met in 2005, they adopted a set of principles to guide future federal-provincial housing initiatives. Among those principles was the understanding that "adequate, predictable and sustainable federal funding to provinces and territories [was] required for housing initiatives to produce long-term positive outcomes, notably for the households in need."

Four years later, Canada is still without a long-term funding framework or strategy for housing affordability. Instead, programs are renamed, rebranded and renewed for short periods. If the ministers can take a minute before they adjourn this week to agree to meet again – in the spring – to bring about a long-term plan on housing affordability and homelessness, then this meeting will be a success.

But if the ministers don't use their meeting for a meaningful discussion on the future of housing policy, or to agree to a timetable for that discussion, the country will continue to struggle without a national plan to tackle homelessness or create more affordable housing. It will also mean that the thousands of Canadians who live in substandard shelters, or who are one missed paycheque away from the street, will continue to worry about the roofs over their heads. This week's meeting is an important opportunity; the ministers owe it to Canadians not to let it slip by.

About FCM:

FCM is the national voice of municipal governments, established in 1901, representing the interests of municipalities on policy and program matters that fall within federal jurisdiction. With 1,796 members representing almost 90 per cent of Canadians, FCM members include Canada's largest cities, small urban and rural communities, and 18 provincial and territorial municipal associations.