

Social Housing information sheet 2013 02 27

CMHC C-400 Backgrounder — Cost of Bill C-400 Proposal

<http://www.cmhc-schl.gc.ca/en/corp/nero/nere/2013/2013-02-27-1230.cfm>

Regarding the CMHC statement that seems highly partisan, see the media coverage below:

<http://www.winnipegfreepress.com/canada/crown-corporation-appears-to-echo-tory-party-line-over-ndp-housing-bill-193647761.html#>

Those who are spinning the spin may be interested in my colleague Alan Walk's comment:

"The \$5.5 billion is nothing compared to the roughly \$300 billion that CMHC has spent purchasing mortgages from Canada's banks since the Conservatives were elected (which is, on average, about \$50 billion per year)."

This little-known practice of the Canadian government is documented in Alan's recent paper, "Canada's New Mortgage Regulations: Warranted and Fair?" which can be found at <http://neighbourhoodchange.ca/>.

How depressing to see CMHC, erstwhile creator and advocate of social housing, pressed into use for this propaganda.

Emily Paradis, PhD
Senior Research Associate
Factor-Inwentash Faculty of Social Work, University of Toronto

Thanks to Megan and many others for the great leadership on C400. It will be interesting to analyze the vote when details are released with Hansard tomorrow.

In the meantime, some thoughts on the CMHC press release...

It's quite surprising how many of the programs that the feds boast about in the press release have either been terminated, will be terminated shortly, or are being radically cut back...

In order, as they are mentioned in the press release:

1. Affordable housing investment

Scheduled for termination in 2014.

2. Homelessness Partnering Strategy

Scheduled for termination in 2014.

3. Federal social housing program

Growing annual cuts, with full termination in less than two decades. Federal affordable housing expenses were at \$3b in 2010 (thanks to a boost from the 2009 stimulus budget). This year, spending is planned at \$2b (a one-third cut in three years). By 2016, planned spending will be \$1.7b - all figures from CMHC's current corporate plan. Another dramatic demonstration of the erosion of federal support for social housing is to track the numbers, from CMHC, of federally assisted housing units - 623,700 in 2008 (actual) and down to 525,000 in 2016 (planned). That's a cut of 98,000 affordable homes over eight years - or 16% of national stock.

4. Federal stimulus funding

The \$2 billion was fully allocated and the program terminated in 2011.

5. Aboriginal housing

CMHC's current corporate plan reports that the feds provided funding for the construction or repair of 2,008 on-reserve Aboriginal homes in 2008. CHC reports that planned spending in 2016 will be for 1,004 on-reserve new and renovated Aboriginal homes - a 50% cut.

Finally, a comment about the \$5.5 billion price tag estimated for C-400. CMHC knows, or should know, that C-400 is a Private Member's Bill and, under the rules of Parliament, is cannot be a money bill - ie. it cannot bind the federal government to particular spending. In the last Parliament, when a similar piece of draft legislation (then called C-304) was being considered, the government appealed to the Speaker to have the bill ruled out of order because it was a 'money bill'. The Speaker upheld the earlier draft legislation. The key requirement imposed on the government by the legislation is a clock - the bill would have required the federal government to consult extensively and report back to Parliament within 180 on a comprehensive housing plan that would meet Canada's international housing obligations.

Which raises the question: Would a comprehensive national housing plan that meets Canada's national housing obligations actually cost the federal government \$5.5 billion annually (presumably in addition to current planned spending)? There has not been a reliable costing of the federal share, the provincial / territorial share, etc., because there

has not been a framework for a national housing plan developed.

For a number of years, many housing advocates were calling for the '1% solution' - which was typically calculated at \$2 billion annually in new spending.

- Michael

Michael Shapcott

Director, Housing and Innovation, Wellesley Institute

10 Alcorn Ave Suite 300
Toronto, ON, Canada M4V 3B2

e: michael@wellesleyinstitute.com

o: 416-972-1010 ex.231

c: 416-605-8316

w. www.wellesleyinstitute.com